

# Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

London, Thursday, December 3, 1998

No. 36,004

## Boeing Reassesses the Damage Jetmaker to Slash Jobs and Output as Asia Slowdown Hits Hard

By Laurence Zuckerman  
New York Times Service

NEW YORK — Acknowledging that the economic slowdown in Asia would take a more serious toll on its business than it had previously thought, Boeing Co. has stunned investors and employees by announcing plans to scale back production in 1999 and cut more jobs over the next two years — perhaps as many as 20,000 more — than it had indicated in June.

As a result, Boeing, the world's largest aerospace company and the largest U.S. exporter, also said late Tuesday that its 1999 earnings would be between \$1.5 billion and \$1.8 billion, lower than the already greatly reduced estimate of \$2 billion it gave investors last summer. Boeing predicted that profits in 2000 would be even lower than in 1999.

Boeing said it would cut production of its highly profitable 747 jumbo jet to two a month from 3.5 a month in late 1999 and might even cut production to one a month in early 2000 if "market conditions fail to improve."

The news sent Boeing's shares tumbling. The stock closed down \$6.875 at \$33.6875, leading a broader decline in the market.

The news indicated that Boeing was still struggling to recover from a disastrous decision in 1996 to raise production to record levels in order to meet booming demand from the world's airlines. The company ended up taking \$4 billion in charges and posting its first annual loss in 50 years in 1997 after its factories

The Dollar			
New York	Wednesday 4 P.M.	previous close	
DM	1.6708	1.684	
Yen	120.125	122.15	
FF	5.805	5.846	
Pound	1.6675	1.6543	
Dollars per pound			
The Dow			
Wednesday close	9,064.54	per cent change	-0.78%
S&P 500	4.03	1,171.25	-0.34%
Nasdaq	8.55	1,885.20	-0.43%

### Boeing Hits Prices

U.S. stocks were lower Wednesday as Wall Street digested Boeing Co.'s announcement of an additional 20,000 job cuts and as Sears, Roebuck & Co. reduced its profit forecast in the midst of the Christmas shopping season. Page 13.

buckled under the strain.

Despite a decade-long campaign designed to improve efficiency, Boeing now spends 20 percent to 30 percent more hours to produce each of its airplanes than it did in the early 1990s.

Ever since the Asian economic crisis flared up last year, Boeing had been reluctant to admit that it would have a significant impact on its business, despite strong evidence to the contrary. That has now changed.

"The situation in Asia has worsened dramatically," Philip

Europe's challenge: defense consolidation. Page 6.

Condit, Boeing's chief executive, told analysts Wednesday, adding that it was "much deeper and more prolonged than we had first estimated."

President Bill Clinton on Wednesday picked up that theme, saying that Boeing's problems demonstrated the need to restore growth to Asia.

"I can't tell you how important it is from my point of view for the United States to be actively involved in trying to restore the conditions of growth in Asia," he said, according to Reuters.

Boeing is still committed to delivering 550 planes this year and a record 620 in 1999. Workers toiled through the Thanksgiving holiday to finish jets before the end of the year even as Boeing has been desperately

See BOEING, Page 4



Boeing is making sharp cuts in production, jobs and earnings estimates.

## IMF and U.S. Mishandled Asia Crisis, World Bank Charges

'Substantial Risk' of Recession Remains, but Worst-Hit Nations May Start to Grow Again in 2000

By David E. Sanger  
New York Times Service

WASHINGTON — The World Bank issued an implicit, searing assessment Wednesday of how its sister institution, the International Monetary Fund, had misjudged the financial crisis that began in Southeast Asia 18 months ago and had prescribed economic policies that turned investor panic into deep recessions.

In its first comprehensive history of the crisis, the World Bank predicts that the worst-hit nations will probably begin to stabilize in 1999 and to grow again in 2000. But, the report adds, "There is still a substantial risk that the world economy will plunge into recession in 1999."

The growth of global economic output, it projects, will drop this year to 1.8 percent from 3.2 percent in 1997 and will revive "only modestly" next year.

Top officials of the World Bank decided to delete direct references to the IMF and the U.S. Treasury from the report, describing events and decisions but not the officials or institutions that made them. But the report leaves little doubt about what the international lending bank views as the key misjudgment: The IMF's decision — with the advice of the U.S. Treasury — to press Thailand, Indonesia and South Korea to raise interest rates in an effort to stabilize their currencies.

The increases were intended to restore investors' confidence and keep them from selling off any easily liquidated assets they held in the afflicted countries. But the report concludes that the strategy backfired, creating a far larger disaster. It failed to save companies that had invested in overvalued real estate, said Joseph Stiglitz, chief economist of the World Bank, "because those firms were already dead."

But the high interest rates, he said, "created a huge number of bankruptcies" as small businesses suddenly could not pay off debts or buy raw materials. The result, he said, was that the countries were plunged into recession, "there was no early restoration of confidence and the currencies continued to fall for some time."

The tension between the World Bank and the IMF, both of which were created by the Bretton Woods agreement in 1944 to stabilize the world economy, has flared up repeatedly over the past 18 months. Their strategic disagreements have become part of a much broader debate over whether the severity of the crisis could have been lessened.

The IMF continues to insist that it made the best judgments it could, though at a seminar this week one Fund official conceded that the organization had made some judgments "too quickly" and mistakenly thought it was simply seeing a repeat of past currency crises.

But the World Bank report amounts to a blow-by-blow account of how misjudgments — by global investors, by Asian officials who were blind to the risks that they were taking by depending on short-term foreign investments and finally by international officials trying to repair the damage — multiplied the damage.

It also calls for a tremendous slowdown in the movement to deregulate financial markets in developing countries, a reversal of the policy that the IMF advocated as late as April 1997, just three months before the collapse of the Thai baht touched off the crisis.

## Key General Of Bosnian Serb Forces Is Arrested

By Charles Trueheart  
Washington Post Service

PARIS — U.S. troops arrested a key Bosnian Serb general Wednesday in connection with the worst massacre of Muslim civilians during the Balkans war and dispatched him to the Netherlands to stand trial for genocide.

General Radislav Krstic is the highest-ranking war crimes suspect yet to be taken into custody in The Hague, seat of the UN tribunal prosecuting war crimes and genocide in the 1992-95 conflict that pitted Serbs, Croats and Muslims against one another in the disintegrating former Yugoslavia.

Until his capture by American units of the NATO-led Stabilization Force in northeastern Bosnia, General Krstic's indictment by the tribunal had been a closely guarded secret, one of an unknown number of arrest warrants kept under seal to enhance the prospect of detention. General Krstic's sealed indictment was barely a month old.

The chief prosecutor in The Hague, Louise Arbour, described General Krstic's arrest as "very significant for the continuing work of the tribunal," which has been attacked for prosecuting suspects much further down the chain of command. Nearly a score of indictments of high-ranking officers or soldiers have been dropped in the past year in an effort to refocus the cash-strapped, slow-moving tribunal on more significant wartime decision-makers such as General Krstic, who reported to the Bosnian Serb military commander, Ratko Mladic.

In a statement Wednesday, the secretary-general of NATO, Javier Solana, warned the 29 publicly indicted suspects still at large "to surrender immediately" to the tribunal, saying, "They, too, will be brought to justice."

The two most wanted Bosnian Serbs, General Mladic and the former political leader Radovan Karadzic, their whereabouts are no secret to North Atlantic Treaty Organization forces who are monitoring the peace in Bosnia and who have multiple mandates to arrest all suspects wanted in The Hague.

Mirza Hajric, a Bosnian Muslim official who welcomed the arrest, suggesting to the Reuters news agency that the action had made those two men's day of judgment imminent.

See BOSNIA, Page 4

Newsstand Prices	
Bahrain	1,000 BD
Cyprus	C £ 1.00
Denmark	17 DKK
Finland	12.00 FM
France	£ 9.95
Germany	£ 5.50
Greece	1,250 Dr
Hong Kong	700 HK\$
India	1,000 Rs
Japan	1,000 Yen
Malaysia	1,000 RM
Nigeria	1,000 Naira
Oman	1,000 QR
Qatar	1,000 QR
Romania	1,000 Lei
Saudi Arabia	1,000 SR
South Africa	1,000 Rand
Switzerland	1,000 Franc
Taiwan	1,000 NT\$
Thailand	1,000 Baht
U.A.E.	1,000 Dirham
U.S.	1,000 Dollars
U.K.	1,000 Pounds
Zimbabwe	1,000 Dollars

## In Asia, a New Mutual Defense

U.S. to Offer Aid in Return for Access to Local Bases

By Michael Richardson  
International Herald Tribune

SINGAPORE — The first of seven U.S. Navy ships in a battle group led by the aircraft carrier Carl Vinson dropped anchor in Singapore on Wednesday in a move that signals a major upgrade of the U.S. military presence in Southeast Asia.

Instead of seeking bases under American military control similar to those in Japan and South Korea, U.S. defense officials say they intend to negotiate new agreements with Southeast Asian countries that will increase U.S. access to local bases and support services.

In return, the United States will offer the armed forces of host nations better training and supplies. Washington also plans to offer cooperating countries finance so that they can buy U.S. military equipment, services and training, officials say.

Such an arrangement is calculated to appeal to cash-strapped armed forces in Southeast Asia that have had to curtail operational readiness and training because of deep cuts in defense budgets triggered by financial turmoil and economic recession in the region.

The aim of the higher American military profile, U.S. and Southeast Asian officials say, is to strengthen confidence in Washington's commitment to help maintain regional stability at a time of strategic uncertainty caused by the crisis.

Outlining U.S. plans, the deputy assistant secretary of defense, Kurt Campbell, said recently in Washington that the United States wanted to "increase our

The U.S. is seeking new Latin American bases for forces that must soon leave Panama. Page 6.

engagement with Southeast Asian militaries, particularly given the financial crisis and the lack of resources that are going to the militaries throughout Southeast Asia."

Reflecting American concerns about fanning the nationalist sentiments unleashed by the crisis, particularly in such countries as Malaysia and Indonesia, Mr. Campbell said the objective was to "find some-

See PACIFIC, Page 4

## Turkey Selects a Veteran as New Leader

Ecevit, Prime Minister 3 Times in 1970s, Is Asked to Form Government

By Stephen Kinzer  
New York Times Service

ISTANBUL — A week after the Turkish government fell in a corruption scandal, President Suleyman Demirel asked a veteran leftist politician known for his personal honesty, Bulent Ecevit, on Wednesday to form a new government.

Mr. Ecevit, who served as prime minister three times during the 1970s, said he would immediately begin working to fashion a government that could command a majority in the faction-ridden Parliament.

He also suggested that although Parliament has set April 18 as the date for

an election, he might seek to remain in power for a longer period.

"It is wrong to see this government as simply an election government," he said. "There are problems that will not wait until an election."

Military commanders, who hold ultimate power in Turkey, have quietly told senior political figures including President Demirel that they do not want a quick election. They fear it will produce a Parliament just as divided as the present one, perhaps with the Islamic-oriented Virtue Party as the largest bloc.

The commanders are also hoping to exclude two of the country's leading politicians — Mesut Yilmaz, the outgoing prime minister, and Tansu Ciller,

a former prime minister — neither of whom they trust, from posts in the new government.

Mr. Ecevit must now try to build a government that includes their center-right parties but not them.

In a meeting this week, the country's senior policymaking body, the National Security Council, which is dominated by military officers, set three priorities for the coming months. It said that whatever government emerges from forthcoming negotiations should dedicate itself to fighting religious fundamentalism, Kurdish nationalism and the criminal gangs that have infiltrated

See ECEVIT, Page 4

## As Giant Copes With Oil Glut, Cuts Could Mean 'Loss to Society'

By Louis Uchitelle  
New York Times Service

NEW YORK — For all the wealth of Exxon and Mobil — and all the market power inherent in the takeover of Mobil by Exxon — these two oil giants are essentially purveyors of an ordinary commodity, and commodities are a drag on the market today, cutting into profits everywhere and hurting national economies.

The proposed combination is essentially an attempt by Exxon and Mobil, particularly Mobil, to sustain profits. That helps explain why investors, rather than celebrate the deal, drove down the stock prices of both companies on the New York Stock Exchange on Tuesday. The stocks stabilized Wednesday, with Mobil closing at \$84.1875, up 43.75 cents, while Exxon slipped 37.5 cents to \$71.25.

The two companies are among the most profitable in the United States, but the current price of crude oil, at just over \$11 a barrel, is barely enough to cover

Exxon's exploration and production costs and less than what Mobil spends to find and retrieve oil and natural gas.

The cost reductions from the Exxon-Mobil accord "will come in many different areas," said Victor Burk, chief of Arthur Andersen's Energy Services Group. "Exxon and Mobil will combine their headquarters and back-office operations, and their purchases of supplies and services," Mr. Burk said. "As the world's biggest company, their negotiating power will be greatly enhanced. And they will try to reduce Mobil's costs for finding and developing oil reserves, bringing them more in line with Exxon's."

All of that cost-cutting cuts two ways for ordinary consumers: Lower costs mean lower prices for gasoline, plastics and other petroleum-based products. But this takeover, like other recent ones in the oil industry, represents a departure from traditional mergers, and that works against ordinary Americans, Peter Bernstein, an economist and consultant, said.

"It used to be that mergers were to gain market share," he said, but the aim

in Exxon's takeover of Mobil is to cut costs, and that involves "losses to society." Cost-cutting, he said, "means people lose their jobs, and the impact on society of downsizing is probably on balance negative."

With oil prices unlikely to rise until Asian demand revives — probably many

Will bosses' styles clash? Page 2.

High antitrust hurdles. Page 13.

months in the future — other oil companies appear to be moving in the same direction. Total of France announced Tuesday that it had acquired a 41 percent stake in Petrofina of Belgium.

The plunge in commodity prices goes beyond oil, and beyond steel or textiles or grain or other basic materials that the word "commodity" brings to mind. Because of the collapse in Asian demand, a price index of 28 of these commodities has fallen by 25 percent since last spring. But in the modern economy, "commod-

See DEAL, Page 4

### The Biggest Deals

In the year of the megamergers:	BUYER	ACQUIRED	VALUE OF DEAL
Tuesday's announced combination of Exxon and Mobil would rank as the largest deal to date.	Exxon	Mobil (pending)	\$80
	Travelers Group	Citicorp	70
	SEC Communications	Ameritech (pending)	62
	Nationsbank	BankAmerica	50
	Bell Atlantic	GTE (pending)	52
	Bright	Atheco (pending)	48
	Novartis	Wells Fargo	34
	Worldcom	MCI Communications	34
	AT&T	TCI (pending)	32
	Bank One	First Chicago	30

Sources: Securities Data Co.

## Exxon and Mobil / Are Bosses' Styles Compatible?

## Big Oil's Colliding Cultures Go to the Altar

By Agis Salpukas  
New York Times Service

NEW YORK — When the heads of most of the world's biggest oil companies were invited recently to the home of the Saudi ambassador to the United States, each of the seven tried valiantly to put his best foot forward. They had come here, after all, to discuss a tantalizing opportunity — helping Saudi Arabia develop its vast energy reserves.

Up first was the Exxon chairman, Lee Raymond, who delivered a trim, concise speech. He recited, from memory, statistics on Saudi natural gas reserves and suggested some specific ways Exxon might be able to help.

Five other executives followed him, each making low-key, carefully worded pitches. Finally, it was the turn of the Mobil chairman, Lucio Noto, who, characteristically, started off with a joke. Little had changed, he said, since Mobil had been the smallest partner in Aramco, the four-company partnership the Saudis nationalized in the 1970s. Now, once again, he was the last in line.

That shattered the meeting's icy atmosphere, allowing Mr. Noto to go into a lengthy discourse on the Saudi political landscape, ground that he was familiar with because he had known some Saudi princes when he lived in the country as a young Mobil executive two decades before.

The bosses at Exxon and Mobil, in short, have markedly different styles, making their proposed alliance seem an odd match indeed.

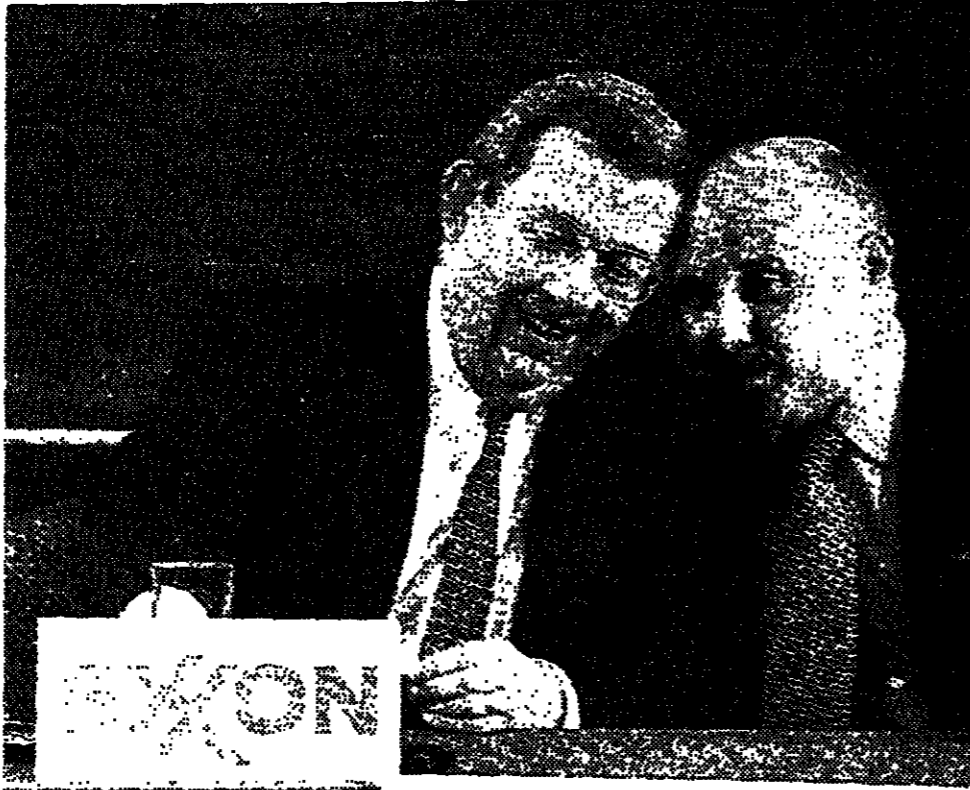
Not that it would be a marriage of equals, though. It is Mr. Raymond who would put a far bigger stamp on the combined company.

Mr. Raymond, 60, has always been clear and focused. He grew up in tiny Watertown, South Dakota, and, in 1963, armed with a doctorate in chemical engineering from the University of Minnesota, he joined Exxon as a production research engineer. In his methodical rise at Exxon, he never flinched from tough assignments, including overseeing the cleanup of the Exxon Valdez oil spill and the legal settlements that followed. He gained a reputation of being reserved and analytical, of investing Exxon's huge cash flow with great care. So it surprised no one when he was named chairman and chief executive in 1993.

Mr. Noto is also 60 but has a far quirkier résumé. The son of Italian immigrants, he once pushed clothing-filled handcars in New York in the summer. Persistent and gregarious, he was able, soon after getting his M.B.A. at Cornell and starting his climb at Mobil, to impress the powerful with a savvy sense of political and economic trends. He was a dark horse when the top spot opened up in 1994, and even he was surprised when he was named chairman, president and chief executive.

And in many ways, each man does reflect the company he leads.

Mobil, which spends millions to run opinion-laden advertisements and sponsors "Masterpiece Theater," has long been aggressive in courting public opinion. Run by strong executives who are given a lot of leeway to take risks, the company



The Mobil chairman, Lucio Noto, right, whispering to his Exxon counterpart, Lee Raymond, during a New York news conference about their alliance, which is considered an odd match.

found ways to make deals to get into Russia and Kazakhstan. And it is quick to apply new technology, leading the way, for instance, in credit card systems that allow pay-at-the-pump gasoline sales. Before Mr. Noto got on the scene, though, Mobil's return on equity was far from stellar.

Exxon, by contrast, run under the tight grip of Mr. Raymond and a small group of top executives, tries to avoid the limelight even when the news is good. It excels at squeezing the most return from the resources it has, but balks at taking political risks. And while its exploration skills are first-rate and its refineries and network of service stations are run with clockwork efficiency, it likes to limit its risk. For example, it preferred to let Royal Dutch/Shell show that oil and natural gas could be profitably recovered from fields lying thousands of feet under the ocean floor before it took the big plunge itself.

AND THE merged company, with Mr. Raymond in charge, would be likely to mirror the Exxon model, with the devotion to cost-cutting and engineering prowess that has made Exxon by far the most profitable of the oil majors. In an era of \$11-a-barrel oil, energy diplomacy and power politics, Mobil's specialties, may have to take a back seat for now.

Not that Mobil, and its distinctive style, would be entirely swallowed up. As in any marriage of opposites, analysts say, the beginning may be rocky, but later each may find that its partner has strengths that will shore up its own weaknesses.

But there could still be problems. "They are both so independent that they like to do things their way," said Fred Leuffer, an oil analyst at Bear Stearns, said of Mr. Raymond and Mr. Noto. "That makes it almost impossible to get together in any amicable way."

Mathieu Zajdel, a managing director of Petroleum Finance Co., a consulting group based in Washington, who has worked with Mobil in Europe

over the years, foresees difficulties because Exxon is so much bigger.

The danger, analysts say, is that Mr. Raymond, so used to thinking of Exxon as a paragon of efficiency and profitability, would ride roughshod over Mobil. And the merger would, in fact, leave Mr. Noto playing a very limited role, as deputy chairman of a 19-member board that included just 6 directors from Mobil.

Mr. Raymond would take all the top positions — chairman, chief executive and president. And the headquarters of the new Exxon-Mobil would be in Irving, Texas, the Dallas suburb that is Exxon's home base, far from Mobil's home base in Fairfax, Virginia, which will house the company's management for refining and marketing.

Not that Mr. Noto would be surprised at his secondary role. The plunging crude oil prices that have put pressure on the whole industry have hit Mobil especially hard because it is smaller. Earlier this year, Mr. Noto began looking for a merger partner, approaching British Petroleum, Amoco and Conoco. In August, though, when British Petroleum announced its \$48 billion takeover of Amoco, his options narrowed considerably. And talks with Conoco were called off when it became clear that it would not be a good fit.

Exxon was surely even tougher for Mr. Noto to crack because of its size and because Mr. Raymond had always been wary of the uncertainties of a merger.

Mr. Noto, however, is known for his persuasive powers. Two years ago he put together a joint marketing and refining venture with British Petroleum that has led to the shedding of thousands of jobs and the saving of about \$500 million a year in costs, a move that prompted other oil majors to form similar ventures.

The idea of a merger was born, Mr. Raymond said in an interview this week, in lower-level talks earlier this year about combining refining operations in Japan. When he and Mr. Noto attended a meeting together in June, Mr. Raymond brought up those talks and said, "Maybe we should talk about that."

To which Mr. Noto responded, "That and other things." Within three weeks, the two were talking about far closer ties.

Mr. Noto, sitting next to Mr. Raymond, acknowledged that the two had different styles, but said, "You don't run a company based on style."

The two companies, Mr. Noto stressed, have many things in common, like not basing "our strategy on what is popular today."

As soon as he took charge at Mobil, Mr. Noto made it clear that even though Mobil had already gone through the wringer, shedding 15,000 workers over the previous five years, it was just the beginning.

As for today's challenges, Mr. Noto and Mr. Raymond might be the ideal team. Mr. Noto was in Saudi Arabia from 1977 to 1985, making friends with some current Saudi leaders. And Mr. Raymond has the resources and skills to put projects together. Between them they may find a way back into the country with by far the largest oil reserves in the world.

## U.S. Automakers Fight Claims of Aiding Nazis

Like Swiss Banks, Ford and GM Are Under Fire

By Michael Dobbs  
Washington Post Service

WASHINGTON — Three years after Swiss banks became the target of a worldwide furor over their business dealings with Nazi Germany, major American auto companies find themselves embroiled in a similar debate.

Like the Swiss banks, the American automakers have vigorously denied that they assisted the Nazi war machine or that they significantly profited from the use of forced labor at their German subsidiaries during World War II. But historians and lawyers researching class-action suits on behalf of former prisoners of war are busy amassing evidence of collaboration by the companies with the Nazis.

The issues at stake for the carmakers go far beyond the relatively modest sums involved in settling any lawsuit. During the war, the companies established a reputation for themselves as "the arsenal of democracy" by transforming their production lines to make airplanes, tanks and trucks for the armies that defeated Adolf Hitler. They deny that their huge business interests in Nazi Germany had led them, wittingly or unwittingly, to also become "the arsenal of fascism."

Ford Motor Co. has mobilized dozens of historians, lawyers and researchers to fight a civil case brought by lawyers in Washington and New York who specialize in extracting large cash settlements from banks and insurance companies accused of defrauding Holocaust victims. Also, a book scheduled for publication next year will accuse General Motors Corp. of playing a key role in Hitler's invasions of Poland and the Soviet Union.

"General Motors was far more important to the Nazi war machine than Switzerland," said Bradford Snell, who has spent two decades researching a history of the world's largest automaker. "Switzerland was just a repository of looted funds. GM was an integral part of the German war effort. The Nazis could have invaded Poland and Russia without Switzerland. They could not have done so without GM."

Both General Motors and Ford insist that they bear little or no responsibility for the operations of their German subsidiaries, which controlled 70 percent of the German car market at the outbreak of war in 1939 and rapidly retooled themselves to become suppliers of war materiel to the German Army.

But documents discovered in German and American archives show a much more complicated picture. In certain instances, American managers of both GM and Ford went along with the conversion of their German plants to military production at a time when U.S. government documents show they were still resisting calls by the Roosevelt administration to step up military production in their American plants.

After three years of national soul-searching, the largest Swiss banks agreed in August to a \$1.25 billion settlement with Holocaust survivors, a step they had initially resisted. The controversy over business dealings with the Nazis has given new impetus to long-standing investigations into such issues as looted art, unpaid insurance benefits and the use of forced labor at German factories.

Although some of the allegations against GM and Ford surfaced during 1974 congressional hearings into monopolistic practices in the automobile industry, American corporations had largely succeeded in playing down their connections to Nazi Germany.

As with Switzerland, their very success in projecting a wholesome, patriotic image of themselves is now being turned against them by their critics.

"When you think of Ford, you think of baseball and apple pie," said Miriam Kleiman, a researcher with a Washington law firm who spent weeks examining records at the National Archives in an attempt to build a case against the company. "You don't think of Hitler having a portrait of Henry Ford on his office wall in Munich."

Both Ford and General Motors declined requests for access to their war-time archives. A Ford spokesman, John

Spellich, defended his company's decision to maintain business ties with Nazi Germany on the grounds that the U.S. government continued to have diplomatic relations with Berlin up until Pearl Harbor in December 1941. A GM spokesman, John Mueller, said his company lost day-to-day control over its German plants in September 1939 and "did not assist the Nazis in any way during World War II."

When U.S. troops invaded Europe in June 1944, they did so in jeeps, trucks and tanks manufactured by the Big Three in one of the largest crash militarization programs ever undertaken. It came as an unpleasant surprise to discover that the enemy was also driving trucks made by Ford and Adam Opel AG — a 100 percent GM-owned subsidiary — and flying Opel-built warplanes. Chrysler Corp.'s role in the German rearmament effort was much less significant.

When the U.S. Army liberated the Ford plants in Cologne and Berlin, they found destitute foreign workers confined behind barbed wire and company documents extolling the "genius of the Fuehrer," according to reports filed by soldiers at the scene. A U.S. Army report by an investigator, Henry Schneider, dated Sept. 5, 1945, accused the German branch of Ford of serving as "an arsenal of Nazism, at least for military vehicles" with the "consent" of the parent company in Michigan.

Mr. Spellich, the Ford spokesman, described the Schneider report as "mischaracterization" of the activities of the American parent company and noted that American managers had frequently been kept in the dark by their German subordinates over events in Cologne.

Ford's and GM's relationships with the Nazis go back to the 1920s and 1930s, when the companies competed against each other for access to the lucrative German market. Hitler was an admirer of American mass production techniques and an avid reader of the anti-Semitic tracts of Henry Ford.

"I regard Henry Ford as my inspiration," Hitler told a Detroit News reporter two years before becoming chancellor in 1933, explaining why he kept a life-size portrait of the American automaker next to his desk.

Although Ford later renounced his anti-Semitic writings, he remained an admirer of Nazi Germany and sought to keep the United States out of World War II. In July 1938, four months after the German annexation of Austria, he accepted the highest medal that Nazi Germany could bestow on a foreigner, the Grand Cross of the German Eagle. The following month, a senior GM executive, James Mooney, received a similar medal for his "distinguished service to the Reich."

The importance of the American automakers went beyond making trucks for the German Army. The Schneider report, now available to researchers at the National Archives, states that American Ford agreed to a complicated barter deal that gave the Reich increased access to large quantities of strategic raw materials, notably rubber. Mr. Snell, the author, says that the Nazi armaments chief, Albert Speer, told him in 1977 that Hitler "would never have considered invading Poland" without synthetic-fuel technology provided by General Motors.

As war approached, it became increasingly difficult for American corporations like GM and Ford to operate in Germany without cooperating closely with the Nazi rearmament effort.

Documents show that the parent companies followed a conscious strategy of continuing to do business with the Nazis, rather than divest themselves of their German assets. Less than three weeks after the Nazi occupation of Czechoslovakia in March 1939, the chairman of GM, Alfred P. Sloan, defended this strategy as sound business practice, given the fact that the company's German operations were "highly profitable."

The internal politics of Nazi Germany "should not be considered the business of the management of General Motors," he wrote April 6, 1939, to a concerned shareholder. "We must conduct ourselves as a German organization" there.

## AIDS Epidemic's Shadow Hangs Over South Africa

By Lynne Duke  
Washington Post Service

JOHANNESBURG — As the spread of AIDS in Africa continues to thwart the continent's development, South Africa, the region's economic powerhouse, is showing such rapid AIDS growth that overall life expectancy here could fall by nearly a third over the next decade.

About 14 percent of South Africa's 32 million people are infected with the human immunodeficiency virus, or HIV, that causes AIDS, and 1,500 more are diagnosed with the virus each day, according to government statistics.

If the spread of the virus continues unabated, South Africa's overall life expectancy could fall from about 68 years to 48 in the first decade of the new millennium, according to government and UN statistics.

Long sheltered from AIDS because of its international isolation under apartheid, South Africa's AIDS rate is now making Southern Africa the center of the global AIDS epidemic.

Most of the countries hit hardest by AIDS are in Southern Africa, notably Botswana, Namibia, Zimbabwe and Swaziland.

Between 20 percent and 26 percent of adults in those countries are infected with HIV or have AIDS.

"We now know that despite these already very high levels of HIV infection, the worst is still to come in Southern Africa," said Peter Piot, ex-

ecutive director of the Joint United Nations Program on HIV/AIDS, which marked World AIDS Day on Monday in South Africa for the first time. "The region is facing a human disaster on a scale it has never seen before."

Of the 1.4 million people between the ages of 15 and 49 who were infected with HIV this year in nine Southern African countries, slightly more than 50 percent were in South Africa.

Health experts attribute the rapid increase to a variety of factors, ranging from disdain for condoms, to sluggish public awareness campaigns, to migrant labor patterns both inside and to and from South Africa.

South Africa's post-apartheid open-

ness has made for a degree of cross-border traffic unheard of when international sanctions against the former white-minority regime ensured the country's isolation.

Since the first AIDS deaths were recorded in the 1980s, 83 percent of the world's AIDS deaths have been in sub-Saharan Africa, and 95 percent of the world's AIDS orphans are African. This year, 70 percent of the world's newly infected people are in this sub-Saharan region.

The spread of the disease has economic as well as human costs. Economists say growth rates are hampered by the public and private expenditures necessitated by the epidemic. The UN

estimates that by 2005, South African businesses will be paying out AIDS-related employee benefits equivalent to 19 percent of salaries, versus 7 percent in 1995.

"AIDS has never posed a bigger threat to development," the UN AIDS program says.

South African officials are speaking about AIDS in blunter terms than ever before. President Nelson Mandela has even called for condom use.

"Although AIDS has been part of our lives for 15 years or more, we have kept silent about its true presence in our midst," said Mr. Mandela. "We have too often spoken of it as someone else's problem."

## TRAVEL UPDATE

## Train Delays in France

PARIS (AFP) — Disruption in French rail services due to a strike by ticket inspectors was set to continue for the seventh day Thursday as union leaders and management tried to iron out their differences.

The state-owned SNCF railroad said that traffic was disrupted Wednesday in most regions except in Brittany, north-west Picardy and the northern Pas-de-Calais regions.

Suburban trains in the Paris region that do not use ticket inspectors were running normally, as were high-speed

trains within France and those traveling to London, Brussels, Amsterdam and Cologne.

## A Swiss Airline Closes







BERN (AP) — Geneva-based Swiss World Airways, facing financial troubles, has suspended flights until further notice, a Swiss aviation official said Wednesday.

The company started scheduled flights from Geneva to Newark, New Jersey, in September. It has been operating six round-trip flights a week with its single Boeing 767 jet.

## WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.

Europe	Today	Friday	Saturday	Sunday
Algeria	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Athens	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Berlin	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Bombay	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Buenos Aires	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Calcutta	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Cairo	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Chennai	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Columbo	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Dhaka	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Delhi	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Dubai	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Guangzhou	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Hong Kong	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Jaipur	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Kolkata	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
London	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Los Angeles	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Madras	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Mumbai	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
New Delhi	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Osaka	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Paris	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Seoul	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Shanghai	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Singapore	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Taipei	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Tokyo	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°
Yokohama	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°	High 72° Low 52°

				
 Jettison	 Unseasonably Cold	 Unseasonably Warm	 Heavy Rain	 Snow
<h3>North America</h3> <p>Dry and unseasonably warm in New York City and Washington, D.C. Friday through Sunday. Temperatures will reach 20 in Washington, D.C. Chicago and Toronto will also be quite mild, but will turn cloudy after dark. Los Angeles will have some rain Friday, then clearing over the weekend.</p>	<h3>Europe</h3> <p>Unseasonably cold weather will continue across most of Europe for the next several days. London and Paris will be mostly dry, but Amsterdam and Copenhagen may have some rain and snow showers. Madrid will have dry weather. Rome will have some rain on Friday with clearing by Sunday.</p>	<h3>Asia</h3> <p>A storm may graze with some rain on their the weekend. The system leads to Beijing will be rain and rather cold. Seoul will be cool and dry. Hong Kong has showers, mainly on Friday. Manila and Saigon will have a few showers, mainly on Friday.</p>		

## THE AMERICAS

## Whither the Clinton Inquiry? Both Sides Wonder

By Dan Balz  
and John F. Harris  
Washington Post Service

WASHINGTON — If there is a strategy that House Judiciary Committee Republicans are following in their impeachment inquiry against President Bill Clinton, it is no longer evident — even to many of their Republican colleagues on Capitol Hill.

Actions taken by the committee this week, particularly the decision to expand the inquiry into Democratic fund-raising practices in the 1996 presidential campaign — a subject already explored by two other congressional panels — underscored the feeling that a solemn constitutional process has begun to veer out of control.

"There's a major concern that we let it out of the box and we don't know how to get it back in," said Representative Christopher Shays, Republican of Connecticut, who does not serve on the committee.

[A federal judge on Wednesday gave permission to impeachment investigators in the House to read secret Justice Department memos laying out evidence of alleged fund-raising irregularities in Mr. Clinton's 1996 campaign. The Associated Press reported from Washington. U.S. District Judge Norma Holloway Johnson said one Republican and one Democrat from the House Judiciary Committee staff will be permitted to see the memos, written by the director of the FBI, Louis Freeh, and the prosecutor Charles LaBella. Attorney General Janet Reno has resisted recommendations by the two men to appoint a special counsel to investigate the fund-raising.]

At a time when the impeachment proceeding had appeared to be heading toward a conclusion — with most Democrats and some Republicans favoring censuring the president for his attempts to conceal his affair with Monica Lewinsky — events this week

suggest it could spill into 1999, a prospect favored by neither Republicans nor Democrats.

Both House Republicans and Mr. Clinton's advisers say they want the process over, but actions in recent days have shown that neither side is ready to take the steps necessary to bring that about. Mr. Clinton's legalistic answers last week to 81 questions from the committee infuriated Republicans and seemed to embolden committee members to widen their inquiry.

But Republicans not on the committee despair that the Judiciary Committee's partisan tactics may be self-defeating. "We had an opportunity to shape this debate and we allowed it to slip away," said a Republican strategist with ties to the House leadership. "Our inability to manage this effectively should not be the reason this guy is allowed to commit perjury and get away with it, but that looks like where we're headed."

Some legal experts said the session on Tuesday underscored how unfocused the impeachment inquiry had become. The result has been to detract attention from examination of the most serious allegations in the report by the independent counsel Kenneth Starr — particularly obstruction of justice — and put a spotlight on the partisanship and procedures of the committee.

Throughout the year, Republicans assumed that by illustrating how serious Mr. Clinton's transgressions were, they would persuade the public that he deserved impeachment. That it has not turned out that way, in the view of some legal experts, reflects a failure to pursue a narrow case on the charges to which Mr. Clinton is most vulnerable.

Greg Mueller, a Republican strategist, said the hearing on the legal basis for a perjury charge that was held Tuesday should have been scheduled months ago. "I'm concerned that people have a roll-your-eyes mentality about this whole thing," he said.

The absence of a clear strategy within the committee has raised questions about who is in charge in the

House. The outgoing House speaker, Newt Gingrich, Republican of Georgia, is away on "personal time," according to his press secretary, Christina Martin. The speaker-designate, Bob Livingston, Republican of Louisiana, who has made clear his desire for the impeachment issue to be gone before he assumes office in January, does not appear to be exercising much influence at this point either.

Two months ago, Democrats were complaining that Mr. Gingrich was secretly calling the shots on the committee. On Tuesday the House minority leader, Richard Gephardt, Democrat of Missouri, appealed to Mr. Gingrich and Mr. Livingston to seize control.

"I fear this investigation is in chaos due to the lack of direction," Mr. Gephardt said in a letter. "I believe that it is incumbent on you to provide the leadership necessary to move the process forward."

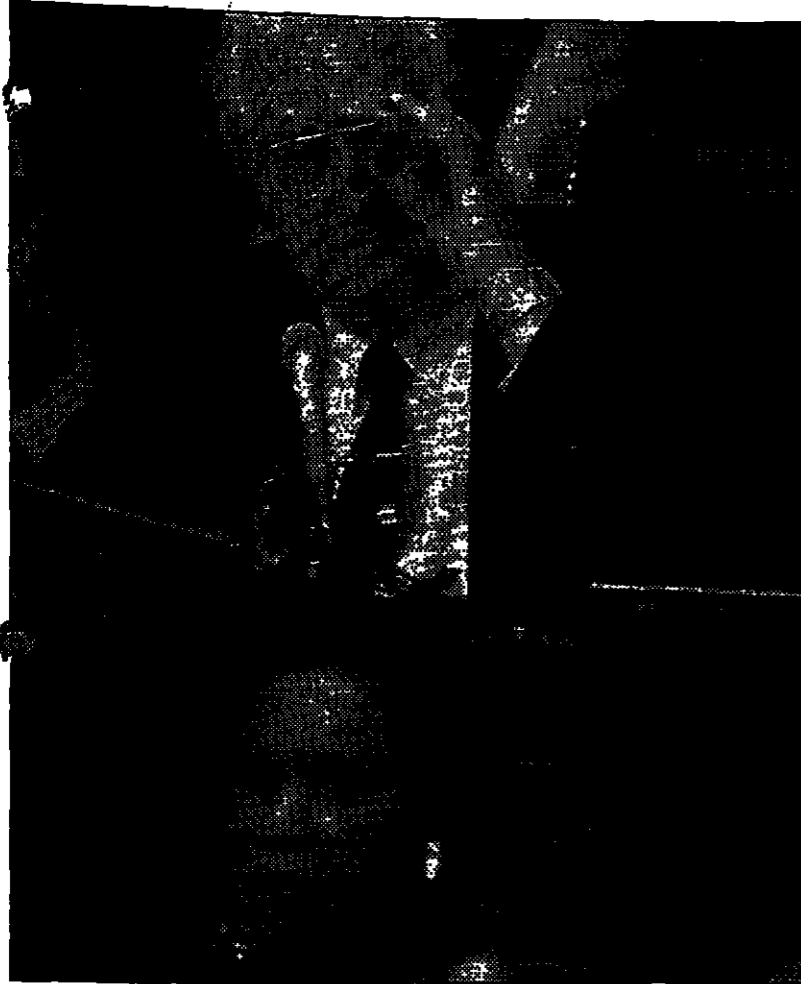
Ms. Martin responded that "the matter lies squarely in Henry Hyde's hands."

White House advisers spent Tuesday trying to decipher the motives of House Republicans. One theory they advanced is that at least some Republicans see a dragged-out inquiry as a way to debilitate Mr. Clinton during the remaining two years of his presidency.

The White House, which until now has projected an air of detachment toward the committee, took the decision to expand the inquiry as a green light to attack.

The White House press secretary, Joe Lockhart, accused the panel of "going off on a variety of different fishing expeditions," adding, "When you look at the last 24 hours, you'll understand why the public has so little confidence in this process."

With the level of acrimony rising, the Clinton team on Wednesday seemed to be leaning against an offer to present a defense Dec. 8. "What's the point of getting in the middle of their mud-pie-throwing contest?" asked a White House official who did not want to be named. "There seems to be no benefit."



Henry Hyde, chairman of the House Judiciary Committee, presiding over impeachment hearings that have been criticized as lacking focus.

## Jets Due to Pakistan Find a New Home

New Zealand Buys Planes That U.S. Refused to Deliver Despite Payment

By Steven Erlanger  
New York Times Service

WASHINGTON — The United States has finally found a customer for the fighter planes that it sold to Pakistan but never delivered.

A day before Prime Minister Nawaz Sharif of Pakistan met with President Bill Clinton at the White House on Wednesday, New Zealand agreed to acquire the 28 F-16 fighters on a 10-year lease-buy arrangement for about \$105 million.

American officials confirmed the arrangement but not the price and said that many details remained to be worked out, including how much money will go directly to reimburse Pakistan and whether New Zealand can later upgrade to a newer model.

Pakistan had paid some \$650 million for 28 of 60 F-16 fighters it ordered

when a congressional amendment was triggered in 1990 that cut off all direct economic aid and military sales to Pakistan after President George Bush said he could no longer certify that Pakistan was not developing nuclear weapons.

But Washington refused to reimburse Pakistan, since the money was already spent to build the planes, and it has been searching interminably for nearly a decade to find another customer, while the planes remain in storage in Arizona.

In 1995, Mr. Clinton said that the situation was unfair and that he would try to rectify it. But an effort in 1996 to sell nine of the planes to Indonesia for \$200 million was abandoned because of congressional objections to Indonesia's human rights record.

Pakistan's nuclear program, which was almost entirely dependent on Chinese expertise and aid, was under-

taken in response to India's nuclear program.

In May, after India conducted nuclear tests, Pakistan also did so, bringing down further economic sanctions against both countries, which Pakistan could ill afford.

On Tuesday, Mr. Clinton formally waived some of those sanctions imposed on India and Pakistan, allowing lending to resume by the U.S. Export-Import Bank, the Overseas Private Investment Corp. and the Trade and Development Agency.

U.S. officials said last month that the sanctions would be waived as a reward to both countries for agreeing to stop testing and as an incentive for further steps to control proliferation.

The American and allied effort to defuse a nuclear arms race in South Asia continues, and will be a prime topic between Mr. Clinton and Mr. Sharif.

Retirement at 70?  
An Unpopular Idea

WASHINGTON — As the Clinton administration gears up for a special White House conference on Social Security, the head of the huge retirement program has warned that the public is deeply skeptical of any proposal to raise the retirement age.

Boosting the age for full Social Security benefits to 70 has become a component of many congressional proposals for saving the program from bankruptcy in the next century.

But the Social Security commissioner, Kenneth Apfel, said there was "very little support among the American people" for increasing the age, which is 65 and scheduled to rise in stages to 67 for Americans born after 1959.

Mr. Apfel said, "I don't like that idea" is the most common response to virtually all suggestions for solving Social Security's financial problems.

But now, with the government running its first budget surpluses in a generation, is the time to act, he said.

Mr. Apfel's remarks underscore the major difficulties President Bill Clinton and Congress will encounter in trying to find common ground at a White House conference on Social Security next week.

Republican Leaders  
Re-elected Easily

WASHINGTON — Senate Republicans quelled a mini-revolt over the results of last month's elections and handily re-elected their current leaders, who promised renewed efforts to pass a strong legislative agenda and sell it to the American people.

In the only contested race for Senate leadership positions, Senator Mitch McConnell of Kentucky, easily won a second term as chairman of the senatorial campaign committee. He turned

aside a challenge by Senator Chuck Hagel of Nebraska, who accused the leadership of failing to give candidates a strong platform and urged the party to drop negative campaigning.

The majority leader, Trent Lott of Mississippi, was re-elected without opposition, as were other members of the current leadership, a stark contrast with the post-election purge of Republican leadership ranks in the House. (WP)

## Quote/Unquote

"The White House press secretary, Joe Lockhart, complaining that the outgoing House speaker, Newt Gingrich, and the incoming speaker, Representative Bob Livingston, are not more fully involved in the impeachment process: 'It's obviously an odd situation where you have the Congress undertaking the most grave responsibility they have short of declaring war and the leadership saying that they don't want anything to do with it.'" (AP)

Away From  
Politics

Government safety regulators asked toymakers to stop using a cancer-causing chemical in baby rattlers and teething toys. But they said there was no need to ban all toys made with the substance. (AP)

More than 20 years after Anita Bryant's "Save Our Children" crusade led to the repeal in Miami of one of the country's first gay rights ordinances and galvanized the debate over gay rights in the nation, the Miami-Dade County commission voted again to ban discrimination based on sexual orientation. The 13 commissioners voted 7 to 6 to amend the county's anti-discrimination law. (NYT)

AMERICAN  
TOPICS

## Bulldozers Lost in Big Theft Wave

How do you steal a bulldozer? How do you make a thundering, clanking, multiton yellow machine disappear? Simple: Start it up with a dime-store universal key and drive it off a construction site. In places like southern Florida, where subdivisions sprout like mushrooms after a rain, bulldozers and backhoes have been disappearing. The Miami Herald reports. Nationwide, such thefts add up to \$1 billion a year, insurers estimate.

Most of the machines are disassembled and shipped to Latin America. Insurance rates have skyrocketed; the payout for a stolen construction vehicle averages \$35,000, seven times that of a car.

But how do you make a getaway at 25 miles

per hour? Just do it, said Randy Kugler, a Dade County detective who works undercover for U.S. Customs. "I've driven dozens off of construction sites and never once have I been stopped." Even if police do stop a suspicious vehicle, heavy equipment generally does not require licenses or registration, making it hard to spot thieves.

The authorities are fighting back, however. Mr. Kugler was involved in an 18-month sting operation — he infiltrated 22 federal indictments. And law-enforcement agencies are working with equipment makers to create a universal system of vehicle identification.

## Short Takes

Life under the flight path of 2,500 jet planes a day has its ups and its downs. Residents of Park Ridge, Illinois, near O'Hare International Airport, say the air often smells of jet fuel. They joke that if you wash your house, you get enough kerosene to heat it. Still, proposals to build a third area airport — to relieve

congestion at O'Hare and Midway Airport — are not met with universal enthusiasm. O'Hare supports 350,000 jobs, directly or indirectly. The Chicago Chamber of Commerce has called for expansion of O'Hare, saying it can be designed to safely handle even more than the current 70 million passengers a year. Issues like safety, noise and pollution, it says, cannot be "allowed to dominate the debate."

Even before the big rise in commercial sales on the Internet, the number of on-line auctions was exploding. More than 1,000 sites now offer everything from autos to Frank Zappa memorabilia, the Los Angeles Times reports.

Most sites work like traditional auctions: The seller describes an item or scans a photo of it, and names a minimum price. Buyers then bid — but with hours or weeks to think, not just minutes. That reduces irrational buying; still, say those who have done it, buyers should do their homework before shelling out, say, \$18 for that Scooby Doo Pez candy dispenser.

Brian Knowlton

## Guts

The new Concord Impresario Chronograph is power-packed.

Inside: The world's first automatic chronograph movement that measures time to 1/10 of a second, and reports day, date and month via windows on the dial.

The sapphire crystal case back lets you see it work.

The balance wheel and hairspring beat at 36,000 vibrations per hour: exactly accurate.

The addition of 31 jewels makes it a virtually friction-free operation.

It combines instant fortitude with efficiency to the max. The oscillating weight is a dual direction, self-winding rotor system. What that means: one day of normal wear runs up 50 hours of reserve power.

Overall, this chronometer is one of the most precise timepieces ever made. To prove the point, each Impresario Chronograph is individually tested and certified by the COSC, the renowned Swiss horological authority.

All visible movement parts have an elegant Clous de Genève finish. But that's not all...

Face-to-face, the new Concord Impresario Chronograph makes a powerful statement as one of the most distinctive timepieces of its kind.

Heroic style. Serious substance: 216.7 grams worth of solid 18 karat rose gold. (Or, if you prefer, solid stainless steel.) All carved and crafted by hand.

Note the classic contours. The coin-edge case detail repeated on the bracelet, the dial, and the crown.

Observe the finger controls. Push-buttons operate a large second

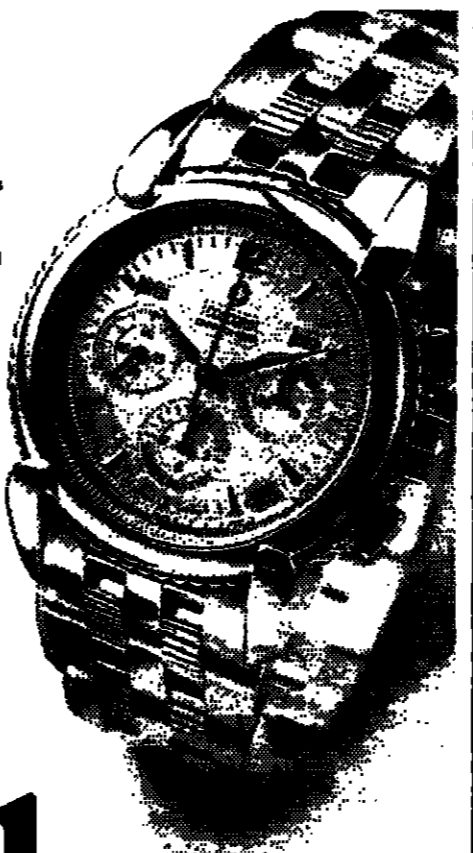
hand — and track time to tenths of a second. (Hours and minutes, as well.)

In addition, there's a small sweep-seconds hand at 9.

A fast-correction button on the side of the case lets you change the day of the week instantly.

And like all Concord Impresario timepieces, quartz and mechanical, the Chronograph is water resistant.

Inside and outside, no other automatic chronograph measures up to the Concord Impresario.



# and Glory

Tel: +41 32 329 34 00 — Fax: +41 32 329 34 01  
©1998 Concord Watch Company

DO YOU LIVE IN THE U.K.?

• Subscribe and SAVE up to 53% off the cover price.  
• Also available: PAY MONTHLY by easy, low cost, direct debit.

HAND DELIVERY IN CENTRAL & GREATER LONDON & PARTS OF THE SOUTH EAST.

Postal subscriptions are available throughout the UK on the day after publication.

For more information about easy ordering and availability of hand delivery CALL our Subscriber Customer Service Department: TOLL FREE: 0800 4 448 7827 (0800 4 IHT SUBS) or Fax: +44-0171 240 34 17 E-mail: subs@iht.com Internet: http://www.ihf.com

## PAYMENT BY MONTHLY DIRECT DEBIT

☐ YES, I'd like to subscribe and have my bank account debited monthly by £19. Please start my subscription and send me a bank form to arrange my payment.

## PAYMENT BY CHECK OR CREDIT CARD

☐ YES, I'd like to subscribe and pay for the following term:

☐ 12 months (+ 2 months free): £233

(Savings off cover price: 36%)

☐ Special 2-month trial subscription: £24

(Savings off cover price: 53%)

☐ My check is enclosed (payable to the IHT)

☐ Charge my: ☐ Access ☐ Amex ☐ Others

☐ Eurocard ☐ MasterCard ☐ Visa

Credit card charges will be made in French Francs at current exchange rates.

Card No: \_\_\_\_\_ Exp: \_\_\_\_\_

Signature: \_\_\_\_\_

☐ Please start delivery and send invoice.

Family Name: \_\_\_\_\_

First Name: \_\_\_\_\_

Job Title: \_\_\_\_\_

Mailing Address: ☐ Home ☐ Business \_\_\_\_\_

City: \_\_\_\_\_ Code: \_\_\_\_\_

Telephone: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Your VAT No (Business orders only): \_\_\_\_\_

I got this copy of the IHT at: ☐ kiosk ☐ hotel ☐ other UK/18

☐ I do not wish to receive information from other companies.

This offer expires on December 31, 1998 and is AVAILABLE FOR NEW SUBSCRIBERS ONLY.

Return your completed coupon to:

Delphine Prinselaar, International Herald Tribune

63 Long Acre, London WC2E 9JH

Fax: +44-0171 240 34 17 E-Mail: subs@iht.com

READERS IN OTHER COUNTRIES CAN SUBSCRIBE BY CALLING:

EUROPE, MIDDLE EAST & AFRICA

Tel: +33 1 41 43 93 61 Fax: +33 1 41 43 92 10

THE AMERICAS

Tel: (USA toll free) 1-800-882-2884

Fax: +1 212 755 8785

ASIA

Tel: +852 29 22 11 71 Fax: +852 29 22 11 99

مكتبة الأصيل

## INTERNATIONAL

# Albright, Grappling With Her Family's Holocaust Deaths, Stirs Conferees

By Thomas W. Lippman  
Washington Post Service

WASHINGTON — Secretary of State Madeleine Albright, who lost three Jewish grandparents in Nazi concentration camps, has told an international conference that the quest for belated justice for Holocaust victims "requires that painful memories be revisited, easy evasions confronted and inconvenient questions asked and answered" — a process she is going through herself.

Mrs. Albright, who was born in Czechoslovakia and raised as a Catholic, has said that she learned of her Jewish roots only last year. She stirred delegates at a conference on the recovery of art and other assets taken from Holocaust victims and their families by relating its work to her personal history.

"I think of the blood that is in my family veins," she told the gathering, sponsored by the State Department and the U.S. Holocaust Memorial Museum. "Does it matter what kind of blood it is? It shouldn't. It is just blood that does its job. But it mattered to Hitler, and that matters to us all, because that is why 6 million Jews died."

Mrs. Albright often relates her foreign policy views to her history as a refugee, first from the Nazis, then from communism. But she rarely speaks publicly about her Jewish ancestry, "a subject," as she put it Tuesday, "for which I have not yet found, and may never find, exactly the right words."

But she used her appearance before an international audience of Holocaust survivors, leaders of Jewish organizations and government officials to provide one of her most prolonged public reflections to date about her background and its legacy.

"When I was young, I didn't often think about grandparents. I just knew I didn't have any," said Mrs. Albright, who has said that she learned of her Jewish ancestry after a Washington Post reporter uncovered it last year. "I was an infant

when I was separated from them. Now, I too have become a grandparent, and I look at my children's children, and the love and pride literally overflow."

"I am sure now that I was once the object of such affection, not only from my parents but from those who gave them life. And as I think of my life, now in my 62nd year, I think also of my grandparents' lives in those final years, months and days."

Her voice catching briefly, Mrs. Albright said she often thinks of the "innocent, irreplaceable people, people who loved and enriched life with their warmth, their smiles and the embrace of their arms" and died because they were Jews.

Her comments prompted a standing ovation from conference participants, many of whom later said they were moved by her explicit linkage of her past and their work.

The conference brought together delegates from 44 countries and 13 private organizations to forge common policies on tracking down art-

works looted by the Germans, tracing unpaid insurance policies and reclaiming "communal property," such as synagogues and cemeteries. The total value of these assets is estimated to be at least tens of millions of dollars.

A similar conference last year led to negotiated settlements involving Swiss bank accounts and looted gold.

The delegates here are addressing what Stuart Eizenstat, undersecretary of state and chairman of the U.S. delegation, called "the final chapter in the unfinished business of perhaps the greatest human tragedy of this or any other century."

Abner Milva, a former federal judge and chairman of the conference, said its purpose was not "to make specific government decisions" but to seek agreement on procedures for settling the remaining issues and to press for commitments to full access to all relevant archives.

The Holocaust Museum's chairman, Miles Lerman, described the task as "a financial and moral audit" of the role played by the par-

ticipating countries during the Holocaust.

Mr. Eizenstat said that by some estimates, "fully one-fifth of all the art in Europe was uprooted" by the Germans and their accomplices during World War II. He added that the U.S. delegation would seek approval of 11 proposed "principles and processes" for identifying and dealing with the troves of looted art that may exist across Europe, including a commitment by governments to identify stolen works and make information available to possible claimants.

Lawrence Eagleburger, a former secretary of state, is chairman of an international commission studying insurance archives in several European countries and is examining policies from the Nazi era in the 1930s and 1940s, many of which were never paid. Under pressure from state insurance regulators in the United States, who have threatened to limit the right to do business in their states, six European insurance companies already have committed \$90 million to a "humanitarian fund" for Holocaust survivors.

## French and British Aides Discuss EU Security Role

### Part of Initiative on Military Cooperation

By Joseph Fitchett  
International Herald Tribune

PARIS — Britain and France intensified preparations Wednesday for a joint initiative on European military cooperation as the two countries' foreign and defense ministers held unscheduled talks in Paris to craft their approach to a new security role for the European Union.

Officials of both governments said the talks were aimed at developing Europe's capability to respond with military force in international crises, essentially by improving cooperation among themselves, but without changing their positions in the North Atlantic Treaty Organization.

Publicly, officials declined to confirm the International Herald Tribune's report that the new British and French thinking included dissolution of the Western European Union, a defense body that has theoretically linked the EU and NATO but in practice has undertaken only small naval actions.

Public comments, however, left the WEU's fate open to doubt.

Prime Minister Tony Blair, a British spokesman said, "thinks it is not an ideal organization."

In Paris, where the WEU was holding a 28-nation assembly, participants complained about not having been informed in advance of the organization's possible demise.

French and British officials said privately that their governments were not seeking to impose their views on other European countries and were still hammering out their own views on institutional arrangements, including the question of folding the WEU into the European Union ahead of an EU summit meeting in mid-December.

"There are still options on every point," a French official said, adding that any changes would have to be acceptable to countries such as Italy, the Netherlands or Spain that have significant forces.

In practice, officials said, no major objections seemed likely to arise among other European countries in the face of a basic convergence between France and Britain, countries that traditionally have been at odds over the EU relationship with NATO.

Germany, the other key EU power, had encouraged Paris to pursue a dialogue with London. French officials said, after the Blair government last month dropped its opposition to security discussions outside NATO. Mr. Blair said that Europe needed to be able to "handle future Kosovos on its own," meaning that unless Europe could muster stronger resolve, Washington might one day tire of its security burden in Europe.

Especially in the light of his conspicuous support for Washington in the latest Iraq crisis, Mr. Blair has the credentials to reassure Americans, and Europeans, that any British-backed defense move is aimed at reinforcing trans-Atlantic ties.

Paris, too, seems to have moved beyond its long-standing hostility to NATO as a vehicle of U.S. influence and embraced the idea that European unity can be pursued by cooperation inside the alliance, especially since it now has provisions for the European allies to act on their own in some situations.

In recent months, France has seized every opportunity to enlarge its practical participation in NATO — for example, taking charge of the allied force assigned, if necessary, to rescue international monitors in Kosovo, even though Paris demurred from some aspects of allied plans for intervention there.

This stress on building up European military capabilities has convinced French officials that the WEU's facilities, essentially a small multinational planning team and a center for interpreting satellite photographs, must move to the EU as an essential "toolbox" for any credible commitment to crisis management or combat.

During the campaign, Mr. Bouchard did not spell out the conditions under which he would consider the vote winnable, and he skirted the issue again Tuesday. But he has made it clear that several problems must be tackled first.

"I don't see how Bouchard can call a referendum in the near future," said Francois Rocher, a professor of political science at Carleton University in Ottawa. "He was elected on good government, and now he will have to govern."

Mr. Bouchard is nearing his goal of eliminating the province's budget deficit. Achieving that would be a sign of fiscal responsibility that the separatists would use to build confidence in their



ON GUARD — Turkish policemen manning barriers Wednesday for a controversial soccer match with Italy.

## Vote Leaves Quebec's Future Unclear

By Anthony DePalma  
New York Times Service

MONTREAL — While the results of Quebec's provincial election are muddy enough for both major parties to claim a victory of sorts, and to bear some degree of defeat, the real losers are those who had hoped the election would provide a clear sense of where Quebec, and Canada, are heading.

Although the separatists were returned to power, they could not even muster a plurality of the popular vote. The election results keep the independence movement alive, but it is wounded.

That means that Premier Lucien Bouchard will not call another referendum on breaking away from Canada anytime soon, though he has not ruled out doing so later.

"Quebeckers have said that the time is not propitious for a referendum, at least not immediately," Mr. Bouchard said Tuesday.

He is clearly disappointed that he had not increased the number of seats his party holds in the provincial assembly. Nor was he able to maintain the percentage of the overall vote that his party had in the last elections, in 1994.

In the election Monday, Mr. Bouchard's separatist Parti Quebecois won 75 seats, two fewer than in 1994.

while the Liberal Party, which favors keeping Quebec in Canada, won 48, an increase of one. A small third party won one seat, and a special election will be held in a few weeks for one district where the incumbent died recently. That district is expected to go to the separatists.

In the popular vote, seen as an indication of probable support for sovereignty, the separatists got 42.7 percent, while the Liberals won 43.7 percent.

But Mr. Bouchard refused to rule out the possibility of holding another vote on separation. Instead, he reiterated the position he had taken during the campaign: that he would call a referendum — which he has the right to do at any time during his term — when he could be sure it was winnable.

During the campaign, Mr. Bouchard did not spell out the conditions under which he would consider the vote winnable, and he skirted the issue again Tuesday. But he has made it clear that several problems must be tackled first.

"I don't see how Bouchard can call a referendum in the near future," said Francois Rocher, a professor of political science at Carleton University in Ottawa. "He was elected on good government, and now he will have to govern."

Mr. Bouchard is nearing his goal of eliminating the province's budget deficit. Achieving that would be a sign of fiscal responsibility that the separatists would use to build confidence in their

ability to lead an independent nation. He will soon have to deal with Quebec's large public employee unions, which have been without a contract since June. And he is committed to negotiating a new deal with Ottawa, along with the leaders of the other nine provinces, for more provincial control over social programs.

If the negotiations for a new federal relationship break down, Mr. Bouchard could blame Ottawa and use resentment toward the federal government to build support for a referendum.

During the campaign, some basic assumptions about Quebec were openly questioned for the first time. The charge by the Liberal Party leader, Jean Charest, that 30 years of toying with separation had only hurt Quebec economically resonated with many voters, including some French-speakers. Mr. Charest also called for limits to the provincial government's interference in the economy.

Mr. Bouchard will also have to deal with the defection of some "soft" nationalists — voters whose support for separation fluctuates — to the third-party candidate, Mario Dumont, leader of the Democratic Action Party.

Mr. Dumont, 28, doubled his party's share of the popular vote, although he was the only member who won a seat in the provincial assembly. He called for a 10-year moratorium on referendums and advocated free market measures, although he did not go as far as Mr. Charest.

## ECEVIT: Turkey Taps Veteran

Continued from Page 1

the state apparatus.

Among Mr. Ecevit's immediate challenges will be to resolve a political crisis with Italy that broke out last month when the Kurdish rebel leader, Abdullah Ocalan, was arrested in Rome and then asked for political asylum there. Turkey wants Mr. Ocalan sent here for trial, but Italy says it cannot extradite him as long as Turkey retains the death penalty.

Mr. Ecevit is among the few senior Turkish politicians who favors the abolition of capital punishment.

Together with President Demirel, Mr. Ecevit is often cited by Turks who complain about the continued dominance of a geriatric political elite. He is 73 years old and has been in politics for most of his adult life.

Early in his career, Mr. Ecevit emerged as a spokesman for Turkey's downtrodden masses. Perhaps more than any other figure, he legitimized social democratic ideology in a climate where leftist sympathies were often considered subversive.

At the same time, however, he has shown himself to be a fierce nationalist. He was prime minister when Turkey sent troops to occupy northern Cyprus in 1974 and is still considered a hard-liner on the Cyprus issue. He is also uncompromising in his opposition to Kurdish nationalism.

During his terms as prime minister in the 1970s, Mr. Ecevit successfully undermined efforts to move Turkey toward membership in the European Union, then called the European Economic Community. He considered it an instrument of capitalist exploitation.

Mr. Ecevit has also disturbed the United States by flirting with anti-Western ideologies. "During his terms as prime minister in the '70s, Mr. Ecevit did not appear to be a consensus builder," said Ilter Turan, a professor of political science at Bilgi University in Istanbul. "It seems that nowadays he is more accommodating, so from that perspective, he may not be bad choice."

"On many issues that Turkish society is encountering now, he represents an orientation which does not seem to be totally in tune with the times," Mr. Turan continued. "That would include his position on issues like privatization, integrating Turks more fully into the international system and the devolution of central authority."

"He has failed to grasp where the world is heading. He looks at and analyzes the world in categories that are no longer useful or appropriate."

Almost alone among Turkish politicians, Mr. Ecevit lives modestly and has avoided any hint of personal or financial scandal. He speaks fluent English, and his reading runs to poetry and such intellectual journals as the New York Review of Books. He has translated the works of T. S. Eliot into Turkish and published several volumes of his own poetry.

## DEAL: Cost-Cutting Will Cut Both Ways

Continued from Page 1

ity" also takes in manufactured goods that are easily produced anywhere.

Commercial airlines are not commodities. Two companies, Boeing and Airbus Industrie, control the key technologies and production skills. But razors are a commodity, the best of which can easily be copied and manufactured.

Cars are another example, and so are

items of apparel, lathes, computer chips, small appliances, toys, kitchenware, television sets, watches and many other electronic devices. Commodities in this broader sense are in oversupply mainly because so many companies stepped up production in recent years, in the expectation that as supply rose, so would demand, absorbing the new supply.

The Asian crisis destroyed that strategy, and now manufacturers find themselves unable to sell all that they can produce and often forced to cut prices, hurting profits and forcing layoffs as production has been cut back.

"The basic phenomenon, however you define the word commodities, is that there is a huge amount of slack capacity in most industries," said Alan Blinder, a Princeton University economist.

Exxon and Mobil are caught in this squeeze. No U.S. corporation was more profitable than Exxon last year, and Mobil was also among the top performers. The two giants are still reporting healthy profits. Their refining operations and gasoline marketing, for example, continue to prosper. What is more, Mr. Burk of Arthur Andersen said, the combination would give the new company much more clout in dealings with OPEC.

"In terms of production," he said, "it will be near in size to several of the big state-owned oil companies in the Middle East. It will have the means to finance very large exploration and development projects. And we may see Saudi Arabia and Kuwait, for example, opening their countries to foreign oil investment."

But right now, in the basic business of exploring for oil, drilling the wells and recovering crude oil and natural gas, Exxon's and Mobil's costs are beginning to reach or surpass the basic price they get for even the best crude oil.

Exxon's exploration and production cost averaged \$7.11 a barrel in the United States, according to Arthur Andersen's Energy Services Group. Outside the United States, the cost was \$10.39 a barrel — a healthy margin last year, when crude oil rose above \$20 a barrel for a while, but uncomfortably close to today's much lower price of just over \$11 a barrel.

Mobil gets oil from U.S. fields at a cost of \$14.85 a barrel and at an average cost of \$11.52 elsewhere in the world.

"Mobil is not in good shape today in this category," Mr. Burk said, "and when you consider all the other costs involved in recovering crude oil, the cost for both companies is probably more than the current world oil price."

## PACIFIC: U.S. Military Offers Aid and Training to Asians in Return for Access to Bases

Continued from Page 1

thing that is short of basing but greater than, shall we say, infrequent visits."

"We believe that in order for the U.S. to be a presence in Asia, it's important not just to have an important foothold in both Korea and Japan, but also to have the ability to engage actively in Southeast Asia as a whole," he said.

Singapore is playing a key role in facilitating an enhanced U.S. military presence in Southeast Asia.

When the Carl Vinson, which displaces nearly 95,000 tons and carries some 5,000 sailors and 80 aircraft, arrives in the island-state Monday to join some of its escorts, which began arriving Wednesday, it will have to anchor in the harbor because it is too big to berth alongside any existing military pier.

But under a formal memorandum of understanding signed last month, Singapore offered the United States use of piers in a new naval base now under construction. When completed in 2000, it will be able to accommodate aircraft carriers and other very large naval ships.

"We are building these berths at Changi Naval Base, even though we do not need them ourselves," Singapore's defense minister, Tony Tan, said after signing the accord in Washington with his U.S. counterpart, William Cohen.

"The U.S. has indicated that it would be useful for the U.S. Navy, which currently does not have any facilities between Guam, Japan and the Middle East where aircraft carriers and other deep-draft vessels can berth alongside for maintenance and logistics support," Mr. Tan said.

Singapore gave the United States access to its naval and air bases in 1990 as nationalist pressures built up in the Phil-

ippines that forced Washington to abandon American bases there in 1992.

Since then, as other countries in Southeast Asia — including Thailand, Brunei, Indonesia, Malaysia and most recently the Philippines — have agreed to allow the U.S. military greater access to their ports, airfields, repair facilities and training grounds, the American military presence in Singapore has increased substantially.

For example, the U.S. Air Force sends fighter detachments to Singapore six times a year, for about a month at a time, while the U.S. Navy uses Singapore as a hub for ships it sends to Southeast Asia for three months of the year to exercise with regional navies.

Mr. Tan said there was a greater appreciation in Southeast Asia that, "with

the crisis which all the countries are now facing, the need for security in the region is even more vital, in order to help economic recovery to progress."

But an Indonesian defense official said that before agreeing to any expanded security arrangement with the United States, his country would have to be satisfied that there were no unacceptable conditions attached. Malaysia is expected to take a similar position, analysts said.

In its latest East Asian Strategy Report, issued last month, the Pentagon said that "in coming years, the U.S. will examine new modes of sustaining and supporting" its military presence in the region.

"Continued development of support — outside the traditional basing structure — in such nations as Australia,

Indonesia, Thailand, Malaysia, Brunei, Singapore and the Philippines will enhance U.S. strategic interests in maintaining regional stability and a credible power projection capability in the region and beyond, including to the Arabian Gulf when necessary," the report said.

Regional cooperation might "also increasingly encompass use of common facilities, as well as reciprocal military provision of supplies, services and logistical support," the report added.

In countries where the United States had bases or conducted regular training and exercises, the conclusion of Acquisition and Cross-Servicing Agreements would "not only provide for such assistance but also offer material and symbolic evidence of regional support for the U.S. presence in general," it said.

times who had been blindfolded and, with their hands tied behind their backs, killed with single bullet wounds to the head. The exhumations, a tribunal source said Wednesday, also revealed systematic reburials of victims in an apparent effort to disguise where and how they had died.

In addition to charges of committing genocide, General Krstic faces five counts that distinguish among various kinds of crimes or provide legal redundancy for the charges. Those counts include complicity to commit genocide, extermination, murder and persecution.

General Krstic will join 26 others in a special tribunal jail facility at Scheveningen, near the Dutch capital. A tribunal source said he would make his initial appearance before the tribunal, the equivalent of an arraignment, Monday.

## BOSNIA: Serb General Is Arrested Over Massacre in Srebrenica

Continued from Page 1

In Bosnia, Lieutenant Commander Glenn Chamberlain, a spokesman for the Stabilization Force, told Reuters that U.S. troops had arrested General Krstic and his driver "without incident" in northeastern Bosnia near the town of Bijeljina.

A continuing source of frustration for judges and prosecutors at the tribunal has been the reluctance of Western military powers in Bosnia to inflame local animosities by arresting some former combatants, as has the refusal of President Slobodan Milosevic of Yugoslavia to cooperate with the tribunal in violation of the Dayton Peace Accords of 1995 and other agreements.

In the indictment of General Krstic, the tribunal prosecution charges that he

was responsible for genocide in the latter half of 1995 when the Bosnian Serb Army's Drina corps, which he commanded, overran the Muslim enclave of Srebrenica, supposedly under United Nations protection.

The Dutch troops charged with the town's security failed to stop the Bosnian Serb rampage. As many as 8,000 Muslim civilians were driven from Srebrenica into the mountains, fleeing toward the town of Tuzla. Along the way, the innocent charges, they were ambushed and either killed by Serb troops or rounded up for subsequent execution.

The arduous work of exhuming graves during the past two years has uncovered what the tribunal believes is strong evidence of deliberate killings of Muslims, including the discovery of vic-

## ASIA/PACIFIC

# China Defends Seizure Of New Party's Leaders

## Dissidents Start Fasts to Protest Crackdown

By Elisabeth Rosenthal  
New York Times Service

BEIJING — In response to a chorus of criticism from home and abroad, Chinese officials broke their silence Wednesday to defend their arrest this week of a prominent dissident who was trying to form an opposition political party.

Xu Wenli is suspected of involvement in activities damaging to national security and has violated relevant criminal codes of the People's Republic of China," said the Foreign Ministry, which had declined Tuesday to comment on the arrest.

The sudden arrest Monday night of Mr. Xu, as well as several other activists involved with him in trying to form the China Democratic Party, sparked strong protests from other dissidents, human rights groups and the U.S. government. "We view his detention for peacefully exercising fundamental freedoms guaranteed by international human rights instruments as a serious step in the wrong direction," said the State Department spokesman, James Rubin, in Washington the day after the arrest. U.S. officials in Beijing urged the government to release Mr. Xu and also asked for clarification on the exact nature of his crime.

With great fanfare, China signed the International Covenant of Civil and Political Rights last month, and Mr. Xu's arrest is seen by human rights groups as a test of its commitment to the terms of the treaty.

Dissidents inside and outside China rose to Mr. Xu's defense, with more than a dozen around China announcing that they would begin fasts or hunger strikes in support of Mr. Xu and another China Democratic Party leader, Qin Yongnian, who was arrested in his Wuhan home Monday.

Almost 200 dissidents signed a letter to the Chinese government protesting the detentions, according to the Information Center for Human Rights and Democratic Movement in Hong Kong.

Three other Democratic Party organizers were also detained Monday, although two of them were released early Wednesday.

But the two more prominent veteran dissidents, Mr. Xu and Mr. Qin, likely face a much longer haul, as they have been charged with "criminal acts."

Mr. Xu's wife, He Xintong, said late Wednesday that she had still not been told the specific charge filed against her husband, although she surmised from

the aggressive behavior of the arresting officers that the sentence "could be long."

Mr. Qin's family was told that he is charged with "plotting to subvert the government," a crime that for serious offenses results in prison sentences ranging from three years to life.

In the Chinese Criminal Code, this charge comes under a grab bag section called "undermining state security," which makes almost any political activity that questions or hampers the authority of the Communist Party illegal, from "violent or nonviolent activities aimed at overthrowing government authorities" to "activities designed to change the basic nature of the state."

The detentions of Mr. Xu and Mr. Qin almost certainly stem from their efforts to gain recognition for the China Democratic Party, a loose network of pro-democracy activists in more than a dozen cities that was formed this year.

In the past six months the two dissidents became increasingly aggressive and defiant in their attempts to register the party with government, submitting repeated applications even after local authorities had declared the concept of an opposition party illegal. They argued that the Chinese Constitution does not specifically forbid the formation of political parties, although no parties have been formed since the founding of the People's Republic of China in 1949.

In fact, the bylaws of the China Democratic Party are fairly tame, careful to acknowledge the central role of the Communist Party, but also supporting free speech and free elections for public officials.

"My husband thought the time was right to begin working to form a new party, since China recently signed the covenant on human rights," Miss He said.

In September, some Democratic Party members got slightly encouraging signals from local governments, which initially accepted their applications to form a social organization to develop a party.

But in recent weeks, as the organizers like Mr. Xu have become more insistent and defiant, harassment by the police has been escalating.

"All this past week we felt something was going to happen," Miss He said. "It seemed that anyone who came to visit us was later detained for a while. And there have been a lot more cars from the Public Security Bureau parked outside than is usual."

Mr. Xu's wife, He Xintong, said late Wednesday that she had still not been told the specific charge filed against her husband, although she surmised from



TAIPEI CONTENDER — Ma Ying-jeou rallying supporters Wednesday in his drive to unseat the Democratic Progressive mayor, Chen Shui-bian, in elections Saturday. The Kuomintang candidate has played down his mainland roots, saying, "I am a new Taiwanese."

## Anwar's Driver Backs Charge

KUALA LUMPUR — The driver of former Deputy Prime Minister Anwar Ibrahim said Wednesday that he stood by allegations he made last year accusing Mr. Anwar of committing homosexual acts with him against his will.

The former driver, Azizan Abu Bakar, testifying in Mr. Anwar's trial on charges of corruption and sodomy, told the High Court that he stood by a written statement that he had repeatedly been "a victim of homosexual acts by Anwar Ibrahim" in 1992.

His statement, in a letter dated Aug. 5, 1997, was forwarded to Prime Minister Mahathir bin Mohamad before Mr. Anwar's dismissal and arrest.

The court is examining four charges that Mr. Anwar had used his authority to force the police to obtain a retraction

from the driver. Mr. Anwar has pleaded not guilty and asserted that Mr. Azizan and another accuser were part of a plot to destroy his political career.

In another development, the trial judge, Augustine Paul, canceled a warrant to arrest a lawyer after he apologized over allegations that prosecutors had tried to fabricate accusations. The lawyer, Manjeet Singh Dhillon, said he was sorry that a statement in which he made the allegations had been submitted to the court by one of Mr. Anwar's lawyers.

Mr. Manjeet's statutory declaration had been submitted along with an affidavit in which Mr. Anwar asked that two prosecutors be discharged because Mr. Manjeet had said they offered to reduce charges against a client in a separate case if he testified that Mr. Anwar had committed sex crimes with women.

## North Koreans Are Said To Ready Missile Launch

The Associated Press

TOKYO — U.S. spy satellites have detected preparations by North Korea to launch another missile and Washington has warned Tokyo, a Japanese newspaper reported Wednesday.

The North Koreans have been moving parts of their new Taepo Dong missile from storage to the launch pad since about Nov. 20, the newspaper Yomiuri reported, citing Japanese government sources that received word from the United States.

Japan is worried the North is likely to launch another missile this month, it said.

Hiroshi Nonaka, the government spokesman, acknowledged Wednesday that Tokyo was aware of "some kind of movement" in North Korea. He would not elaborate.

Prime Minister Keizo Obuchi confirmed that Japan had received infor-

mation about a North Korean launch in the works, but the Kyodo press agency quoted him as saying, "I have not heard that it has been confirmed."

The Defense Agency would not comment on the Yomiuri report.

The Japanese were unnerved by the firing of a rocket by North Korea on Aug. 31. It flew over Japan and landed in the Pacific Ocean.

Japan has a peaceful rocket program but no spy satellite of its own and must rely on the United States for information about North Korean missile activity.

A joint missile defense system with the United States has been proposed, and Japan approved a plan to put four spy satellites into orbit by 2002.

North Korea, which says it put a satellite in orbit with the August firing, has denounced Japan's spy satellite plan, calling it a "dangerous military action."

### BRIEFLY

#### Indonesian Students Petition for Reforms

JAKARTA — Ignoring an appeal by President B.J. Habibie to stay off the streets, about 1,000 students marched on the Presidential Palace on Wednesday to present a petition demanding democratic reforms.

Brushing aside about 300 soldiers and riot police, the students approached the front gates during a three-hour demonstration that remained peaceful. The authorities later admitted 17 student delegates who met with a senior military aide to the president and the cabinet vice-secretary.

Earlier Wednesday, Mr. Habibie appealed to the students to seek change through constitutional means. (NYT)

#### Australia Tax Workers Warned About Bombs

CANBERRA — The police on Wednesday warned all 17,000 Australian tax workers to beware of letter bombs after one exploded in a post office, slightly injuring a clerk, and 21 others were found by postal workers.

The tax commissioner, Michael Carmody, said he was taking steps to ensure the safety of agency employees after letter bombs were found addressed to the homes of 23 staff members. Mr. Carmody declined to say whether he was one of the tax officials targeted.

#### First Joint Exercise For U.S. and China

HONG KONG — The Chinese military joined U.S. forces for the first time Wednesday in a search and rescue exercise, U.S. and Hong Kong officials said.

Boats from the Hong Kong garrison of the People's Liberation Army joined 220 U.S. Air Force and Coast Guard personnel off Lantau Island, near Hong Kong, the Civil Aviation Department said in a statement.

Officials from the U.S. Consulate said both the United States and China had been invited by Hong Kong in "a humanitarian effort to create a climate of working together." (AP)

#### Philippines Declines To Release Fishermen

MANILA — The Philippines on Wednesday rejected Beijing's demand for the immediate release of 20 Chinese fishermen seized near a disputed reef in the South China Sea, saying it would pursue illegal fishing charges against them.

On Tuesday, China had demanded their immediate release. (Reuters)

## SAME MEETING DIFFERENT OFFICE.

Busy, busy, busy. Places to go, people to see. Doing business is all about communication; you talk to people and they talk to you. It's how deals get done and projects move forward.

At your desk it's easy, but if the places you go are even a little way off the beaten track communication can seem rather more difficult.

Which strikes us as odd, because at Station 12 we've been providing global satellite communication services for many years.

Reliable voice, fax and data connections available everywhere it's possible to go. From oceans to mountains, deserts to jungles and from pole to pole.

Station 12 services cover every kind of application, fixed or mobile.

From high-speed network connections and videoconferencing for remote offices to the smallest portable satellite phones yet developed. Not to mention low-cost data messaging and remote e-mail.

And the best part is, it's all available now.

So, in just a few seconds you can be in touch. From anywhere to anywhere.

For any reason.

Now there's a suggestion to put on the agenda for your next meeting (even if it's hard to arrange, it'll be the last time you need everyone together in the same place).

Station 12. If you can get there, you can call from there.

Station 12®  
The ultimate mobile  
connection

STATION 12

For information call +31 20 545 111 or fax +31 20 281 87 31  
or e-mail to Station12@ams.nl or write to  
Station 12, PO Box 2612, 3000 GP Utrecht, The Netherlands

## INTERNATIONAL

## The European Defense Steamroller

Even France Is Slowly Accepting Cross-Border Merger of Companies

By John Tagliabue  
New York Times Service

BRUSSELS — Even as global pressure drive Europe to a single market and a single currency, similar pressures are forcing a consolidation of the defense and aviation industries.

European leaders recognize that with the collapse of communism, their defense needs are radically different. And the emergence of American giants like Boeing Co., Raytheon Co. and Lockheed Martin Corp. creates a new competitive landscape. So these leaders envision the arms and aircraft industries from each nation uniting in a single, highly efficient, all-purpose conglomerate.

Progress toward this goal has been glacial, but it is still creating tremendous strains, especially in France. Aerospace, the French aerospace and arms giant, is about to be transformed from state company to private for the sole purpose of qualifying to join this Continent-wide behemoth, but Yves Michot, its chairman and chief executive, is not entirely happy with how the process is unfolding.

"If we want to merge together, we need to have each other's full confidence," he said.

Mr. Michot has not found that comfort level. Like many in France, he objected to the way foreign business leaders, notably those at British Aerospace PLC and DaimlerChrysler Aerospace AG, threatened to snub the French if they did not cooperate.

Even if Europe pulls off the creation of the conglomerate, tentatively known as the European Aerospace & Defense Co., some experts, fearing a monopoly that would stifle competition, wonder whether they should.

"I do not like a world in which you have three large United States integrated contractors — Boeing, Raytheon and Lockheed — and one in Europe," said John Deutch, a former U.S. undersecretary of defense. A single European defense contractor, he argued, would "essentially not be competitive."

But competition is assured, the European companies argue, given the huge American presence in the European arms and aviation market.

American defense companies have always done a booming business in Europe. During the Cold War, many European countries, particularly smaller ones like the Netherlands and Belgium, bought almost nothing but U.S. fighter aircraft and weapons systems. European industry leaders, including the French, deny they want anything like a fortress Europe now.

American arms companies, of course, went through a similar, though less extreme, consolidation. European executives like to talk about the "Last Supper," a 1993 gathering at which Les Aspin, then the defense secretary, sketched out for industry leaders the Pentagon's view of the future, one in which a few defense contractors would divide a greatly curtailed Pentagon budget.

Yet in Europe, the process has been reversed, with executives at BAE and DaimlerChrysler pushing their agenda on often reluctant governments.

Nowhere has that reluctance been more evident than in France. The prospect of marring the prestige of a French national industry, not to mention losing jobs, is creating a fierce conflict that pits

French traditions against the harsh realities of a globalizing world.

But the process has most definitely begun. Dassault Aviation SA said last month that it would transfer to Aerospatiale the government's 46 percent stake in the company. The plan involving Dassault, maker of Mirage and Rafale military jets and Falcon business jets, was announced in July, but it took months to secure the approval of Serge Dassault, the company's feisty 73-year-old chief executive and controlling shareholder.

That share transfer follows a decision in July by the government of Prime Minister Lionel Jospin, after months of debate, to reduce the government's stake in Aerospatiale to less than 50 percent and to bring in the defense and publishing giant Lagardere Group as the leading private shareholder.

By this week, after separate French-German and French-British government consultations about recasting the defense industry, Paris appeared to have dropped its fundamental insistence on a simultaneous three-way merger, clearing the path for a gradual two-by-two process, including some form of union between British Aerospace and DaimlerChrysler, to be followed by a link with Aerospatiale and Lagardere's Matra defense business.

That government largesse to Aerospatiale produced a company rich in technology but inefficient and unaccustomed to the notion of shareholder value.

"Ten years ago, the government told Aerospatiale not to make profits, but to make products," said Philippe Gossard of Credit Lyonnais Securities in Paris. The numbers show that productivity has indeed sagged. Last year, each of Aerospatiale's 37,000 employees generated \$297,000 of revenues, against \$326,000 for each of British Aerospace's 46,000 employees.

For France's partners at British Aerospace and DaimlerChrysler, both privately held, getting government out of the business is an essential first step.

"Our demand is that future shareholders be of the same sort and share the same goals," said Wolfgang Piller, head of strategy at DaimlerChrysler. Sir Richard Evans, chairman of BAE, has said the combined entity should feature a highly fragmented shareholder base, adding that for the Germans and the British, there should be zero government ownership.

Industry leaders are also urging European governments to end centuries of fragmentation and form common de-

fense and security policies, including weapons procurement.

"Combine your purchasing power," Mr. Piller said, "and you will have all the influence necessary."

Mr. Michot readily admits that the changes at Aerospatiale must go forward. "It's not a problem of whether big is beautiful or small is beautiful," he said in an interview. "But projects are more and more sophisticated, and bigger and bigger companies are needed."

What he admits less readily is that Aerospatiale needs reorganizing. It is, after all, no slouch. It has a 37.9 percent stake in Airbus, the efficient, profitable consortium that, despite bitter competition from Boeing, grabbed half of the worldwide orders this year for jetliners. The Ariane rocket program, a joint European undertaking in which Aerospatiale is primary contractor, controls 50 percent of the market for satellite launchings, a business expected to be worth \$60 billion over the next decade.

Yet some activities, like missiles, lose money, while others, like its stake in Avions de Transport Regional, or ATR, the maker of turboprop aircraft, face an uncertain future.

Ariane itself may prove to be a white elephant, as smaller and cheaper satellite launching devices enter the market.

Some experts even question whether Mr. Michot, 57, an aeronautical engineer with decades of experience as a government adviser on weapons programs, is the man to do the reorganizing.

Indeed, part of the reason for bringing in Lagardere was to tap that company's tough management skills, like those of Philippe Camus, its 50-year-old chief executive. The challenges facing the merger appear not to have escaped Lagardere's investors, about 40 percent of whom are American and British investment funds. After the July announcement, the shares lost nearly half their value, though they have since recovered much of that.

Yet the French willingness to accept private solutions by bringing in Lagardere and Dassault shows flexibility, which Mr. Michot said could increase. Mr. Jospin's government, he said, which originally insisted on a permanent minority stake in Aerospatiale, and hence in the new European arms company, is now pragmatic.

"If I go back with a good idea, the consequence of which is a new decrease in the government stake," he said, "they are ready to examine it."



An Israeli soldier being beaten by a Palestinian after he was dragged from an ambushed vehicle near Ramallah on Wednesday.

## Violent West Bank Clashes Heighten Mideast Tensions

The Associated Press

RAMALLAH, West Bank — Two dozen Palestinians ambushed an Israeli car on Wednesday, smashed its windshield with stones, then pulled an Israeli soldier out of the vehicle and kicked and beat him with stones.

The soldier, covered by the car door, holding his hands up to fend off blows as several Palestinians struck his head with rocks. After about a minute of relentless attack, the soldier ran, bleeding from the head.

As he escaped, his assailants stole his M-16 assault rifle, then doused the car with kerosene and set it on fire.

Earlier Wednesday, a Palestinian street cleaner was stabbed to death in what police believe was an attack by an Israeli extremist.

Hundreds joined the funeral procession along Salah Eddin Street, the main thoroughfare of traditionally Arab East Jerusalem. Dozens of marchers broke away and hurled stones at Israeli riot police, who fired rubber bullets.

In a side street, Palestinians stoned an Israeli motorist, pulled him out of the car and then set the vehicle on fire, said Shmuel Ben-Ruby, a Jerusalem police spokesman.

The renewed violence came just 10 days before President Bill Clinton was to arrive in Israel and the Palestine areas to usher in the next stage of the Wye River land for security agreement he helped negotiate in October.

An Israeli official said Mr. Clinton's visit was currently still on.

## BRIEFLY

## Economist Due Back As Lebanese Leader

BEIRUT — President Emile Lahoud of Lebanon has chosen a veteran politician and economist, Selim Hoss, to become prime minister, the Parliament speaker, Nabih Berri, said Tuesday.

"Ninety-five members of Parliament have named Hoss as their candidate, and the consultations for the new government will start on Friday," Mr. Berri said after meeting with the president. There are 128 members in Parliament.

Mr. Hoss, 68, served several times as prime minister during and after the 1975-1990 civil war in Lebanon. He is well respected by the business community.

He will succeed Rafik Hariri, who stepped down Monday after six years in office. (Reuters)

## 12 Algerian Villagers Slain While Sleeping

ALGIERS — Armed attackers killed 12 villagers during their sleep early Wednesday in Algeria, an official communiqué and hospital sources said.

Security forces immediately began a search for the attackers in the Sidj Rachid region, about 100 kilometers west of Algiers, where the massacre took place, the communiqué said.

There was no immediate claim of responsibility for the killings, but such attacks are usually blamed on Islamic militants. (AP)

## Albright Asks Texas To Delay Execution

AUSTIN, Texas — The U.S. secretary of state has asked the governor of Texas, George W. Bush, to delay the execution of a Canadian citizen, a spokesman for the governor said Tuesday.

Secretary of State Madeleine Albright, intervening on behalf of the Canadian government, wrote in a Nov. 21 letter to Mr. Bush that Canadian officials had not been notified of the arrest and prosecution of Stan Faudler as required by an international treaty.

Texas officials said that at the time they did not know Mr. Faudler was a Canadian.

He was sentenced to die by lethal injection for the 1975 stabbing death of an oil heiress, Inez Phillips. His execution is scheduled for Dec. 10.

Canada, which does not have the death penalty, wants his sentence commuted to life in prison. (Reuters)

## The Vatican Welcomes Christmas for Cubans

VATICAN CITY — The Vatican welcomed on Wednesday a proposal by the ruling Communist Party of Cuba for permanent reinstatement of the Dec. 24 Christmas holiday.

"This announcement, which answers a precise desire of the Cuban people and church, has been received with much satisfaction in the Holy See," said the Vatican spokesman, Joaquin Navarro Valls.

"I do not believe it will pass unobserved within the international community," he said. (Reuters)

## U.S. Looks South for New Bases to Replace Panama Airfield

By Steven Lee Myers  
New York Times Service

CARTAGENA, Colombia — The United States has begun talks with several countries to find new bases of operation in Central and South America for the American military forces that must soon leave Panama, according to American officials.

The discussions, while preliminary, have become urgent because the United States has to close its principal airfield in Panama by May 1 as part of its agreement to relinquish control of the Panama Canal entirely by the end of 1999.

The airfield, Howard Air Force Base, just west of Panama City, supports the

bulk of the aircraft and other forces involved in U.S.-led efforts to stop the flow of cocaine and other drugs from South America. Without new bases by that deadline, U.S. commanders fear there could be an interruption in the interdiction flights.

The Pentagon has held talks with Honduras, Peru and Ecuador about the possibility of allowing small numbers of surveillance aircraft, such as AWACs, to use existing airfields in those countries, senior defense officials said, speaking on condition of anonymity because of diplomatic sensitivities inherent in America's military presence in the region.

Defense Secretary William Cohen said he had held discussions with a number of

countries gathered here for a three-day conference of defense ministers from the Americas but had not made a decision or reached an agreement on the bases.

"What we are looking for are forward operating locations that could be of assistance in surveying the territory to prevent the transfer of narcotics," he said Tuesday.

General Charles Wilhelm, commander of all U.S. forces in Central and South America, declined to identify prospective sites, but he said, "We need to be close to the regions where we need to operate."

Ever since the Panama Canal opened in 1917, the United States has kept a military presence in Panama, but that force has gradually dwindled in accord-

ance with the treaties President Jimmy Carter negotiated in 1977 to return control of the canal to Panama.

The Pentagon had hoped to reach agreement with Panama to maintain a presence, and for a time, it considered a Panamanian proposal to create a multinational counternarcotics center at Howard. But those discussions faltered in September over Washington's insistence that it still be able mount other operations from the base, not just those involving drugs.

The United States now has about 4,000 troops in Panama, nearly half of them at Howard.

U.S. officials said Washington did not need large airfields, but rather support bases, with few troops.



OCEAN

Telfort



With BT you can choose from many European communications companies. So there's only one choice.

By the year 2000, over 95% of the world's telecoms markets will be deregulated, expanding your business opportunities...and your choice of communications companies.

So how to choose between them? BT is making it easier. We have invested over

£1.8bn developing alliances within Europe to bring you the benefits of our combined knowledge. Perhaps that's why over 80% of the Fortune top 500 companies work with

To choose one telecoms partner with the experience of many, let's talk.

Call us on +44 117 980 7788 or visit our website at [www.btglobal.com/euro](http://www.btglobal.com/euro)

BT

## Decision Could Open 'Can of Worms' Regarding Its Role in Chile

**By Tim Weiner**  
*New York Times Service*

this year. He was detained in London on a Spanish court's warrant in October. The court wants to try him for human rights abuses in the deaths of Spanish and other citizens. Last week, Britain's highest court denied him the immunity

- The presidential library of Gerald

"The United States has no fear or no apprehension about any information pertaining to Mr. Pinochet," he said.

Jean-Jacques Aillagon, head of the Georges Pompidou Center, said his museum had bought the 1914 cubist work "The Guitar Player" in 1981 from a Swiss dealer who had

1. *What is the purpose of the study?*

Germany, by far the largest net contributor of EU funds, has long lobbied for a reform of the bloc's finances. Talks with the next set of EU can-

### *For the Record*

One of hundreds of Russian teachers who had maintained a 10-day hunger strike over unpaid wages in a city on the Volga River has died following a heart attack, the director of his school said Wednesday. (Reuters)

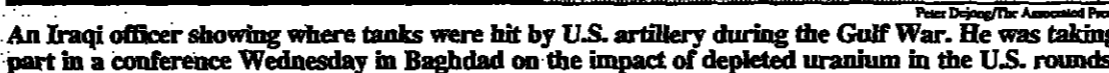
# Iraq Begins to Respond To UN Arms Questions

### ***But Little New in Details, Inspectors Say***

**By Barbara Crossette**  
*New York Times Service*

Officials of the commission, known as Unscom, say Mr. Aziz has stopped replying directly to Mr. Butler since Iraq stepped up its campaign to have him removed and replaced by a UN official. Mr. Butler is an independent expert on arms control who was the Australian representative at the United Nations before becoming executive chairman of the inspection agency, which reports directly to the Security Council.

The United States and Britain are also actively courting a wide range of Iraqi opposition groups and individuals with promises of assistance if they are willing to work together in trying to topple Mr. Saddam, Iraqi exiles said this week. The exile groups have been told that there could be a change in Iraq in a month or two, an exile leader said.



Although Bahrain, where the special commission maintains its regional base, has supported the United States on Iraq, it is the only

France and Russia are the two permanent members of the Security Council that have been most critical of the work of Unscorn.

Mr. Butler has to report to the Security Council whether Iraq has assumed full cooperation before the council can begin a review of its compliance with UN resolutions.

## Implants Fairly Safe, Science Panel Finds

**By Gina Kolata**  
*New York Times Service*

But Sybil Goldrich, a lawyer with implants who was a founder of an advocacy group

The biggest study yet on the issue of implants is still under way. That study, involving 13,500 women and directed by Dr. Louise Brinton of the National Cancer Institute, will be published early next year.

## CROSSWORD

**ACROSS**

1 Science fiction award

5 Obi-Wan, for one

9 Mail nuisance

13 Football Hall-of-Famer \_\_\_\_\_ Page

14 Pulls some leaves

15 Florence Woodder

16 "Alas!" sighed the lean legs. \_\_\_\_\_

19 Character actor \_\_\_\_\_

20 Confidant

21 Bankers

22 Some blap

24 Black-eyed \_\_\_\_\_

26 Case scene?

28 Trompe \_\_\_\_\_ (an illusion)

31 Minerva's symbol

32 "Big deal," said the pocketts, \_\_\_\_\_

33 Fabled loser

35 Spoken of love

36 Scheme

41 "Oh dear!" cried the waist, \_\_\_\_\_

46 Home in space

47 Big video game  
 name  
 48 Movie-turned-  
 actress Carol  
 49 1967 Spielberg  
 movie  
 50 Carol filler  
 51 "Far out"  
 52 Those of Juan's  
 things  
 53 Malicio Malba  
 54 "Hear you!"  
 replied the east  
 55 Like some  
 antiques  
 56 Isabel it, e.g.  
 57 Is she-shit?  
 58 It's under layers  
 59 Co-Nobelist with  
 Menachem  
 60 Jacques  
 Cousteau's  
 world  
 61 Plywood layer  
 62 Lazy waters  
 63 Highland pants  
 64 Because  
 65 Incline  
 66 Down output  
 67 Spice cuisine  
 68 TV's Griffin  
 69 Sprink and  
 others  
 70 Poiza  
 71 Was sweet (on)  
 72 Bone under a  
 witch  
 73 Sweet

By Justin G.  
*Washington Post*

**WASHINGTON** —

perts has recommended the Food and Drug Administration approve a new drug for people suffering from rheumatoid arthritis, the first of a long-awaited line of "super aspirins" that may cure many kinds of pain and inflammation.

The committee recommends the drug, celecoxib, be approved by prescription for the treatment of osteoarthritis and rheumatoid arthritis.

But the committee's recommendation by urging doctors to carry some of the same

[illegible]

COX, which is  
of inflammations.  
aspirin, ibuprofen  
products. But  
artists have realized  
in the body in two  
ms, dubbed COX-1  
es are still being  
evidence suggests that  
olved in the body's

"houseke  
tecting th  
while CO  
pain and  
such ailme  
Older  
by redu  
Company  
ket high  
ors" like  
they will

## Shooting Ties

iated Press  
A man believed  
tourist en  
China, he

helping" functions, such as protecting the lining of the digestive tract, COX-2 is more involved in the inflammation associated with conditions such as arthritis. Anti-inflammatory drugs working on both forms of COX, however, are rushing to bring to market a selective "COX-2 inhibitor." Celebrex, on the theory that it will be safer.

## Study Supports 'Super Aspirins' for Arthritis

**By Justin Gillis**  
*Washington Post Service*

The drug would be sold under the brand name Celebrex, according to officials at G. D. Searle & Co., a Monsanto Co. subsidiary that developed the drug. Similar compounds are under devel-

### Macau Shooting

## Tied to Casinos

## Macau Shooting Tied to Casinos

**The Associated Press**

The victim, believed to be in his 20s, was hospitalized in serious condition, Asia Television said. No other details were available.

The police have blamed Chinese gangs, called triads, that are fighting over payoffs from casinos whose profits have been shrinking because of

The violence prompted China to announce last month that it will send soldiers to the Portuguese colony to try to halt the violence after Macau

## TribTech

TODAY'S  
LEISURE

## In Intelligence, It's Now Smart to Be On-Line

Top-Secret U.S. Network Puts the Latest Satellite Pictures From Suspect Sites Within Immediate Reach

By Vernon Loeb  
Washington Post Service

WASHINGTON — Four years ago, the U.S. intelligence community started to realize that "information superiority" in the Internet age called for more than glossy documents ferried around town in highly secure vans.

The need for intelligence in real time was becoming more acute with each passing conflict, having been publicly flagged after the Gulf War by none other than General Norman Schwarzkopf, who loudly complained that the intelligence community had failed to put satellite imagery into his hands fast enough.

Today, the latest satellite photos of terrorist camps and Iraqi tank formations are but a click away. Imagery, communications intercepts and all manner of intelligence reports move in seconds across an intelligence community intranet called Intelink, a top-secret, super-secure network that has revolutionized the dissemination of U.S. intelligence and become a potent, searchable analytic tool for analysts and military officers all over the world.

Fredrick Thomas Martin, a former National Security Agency official, tells how all this happened in a new book called "Top Secret Intranet," describing a journey through cyberspace in which the 13 U.S. intelligence agencies have gone from zealously guarding their own secrets to sharing many of them over what the book calls "the world's largest, most secure network."

"Intelink," writes Mr. Martin, "has become an information service that is critical to the intelligence mission of this nation."

Switched on in late 1994, the network is now used regularly by 50,000 analysts, operators, military officers and policymakers with top-secret security clearances at 100 sites. They can click on the latest satellite

imagery from the National Imagery and Mapping Agency, search the network for communications intercepts from the National Security Agency and chat electronically with analysts of various stripes about the latest terrorist threats and military maneuvers.

What makes the network's creation all the more remarkable, in a procurement culture known for the \$600 toilet seat and the \$7,500 coffee pot, according to Mr. Martin, is that the handful of computer maven who started it decided to use only commercially available software pioneered on the Internet and the World Wide Web. Intelink now runs with a Netscape browser and a variety of commercial search engines, including AltaVista. The searchable universe consists of 440,000 electronic pages, which would make it a very large site by commercial standards. By contrast, *WashingtonPost.com* has 241,000 pages.

For the highly secretive intelligence community, talking the talk of Web technology proved easier, in some respects, than walking the walk. The power of Web-based data searchable across a vast network forced it to re-examine — and ultimately waive — its "need-to-know" doctrine for disseminating intelligence, which has for years kept information tightly compartmentalized and shared only with those who need to know and use it.

"As one can imagine, there were many pockets of resistance — people who were adamantly opposed to waiving or even relaxing the 'need-to-know' principle," Mr. Martin writes. "But, interestingly, once the success of Intelink had been established, there was no turning back, and very little talk about turning back."

Mr. Martin describes the network as impenetrable to attack by hackers because it runs on dedicated Defense Department networks that have no link to the Internet. This "air gap" is the first line of defense.

The second is this: To open an Intelink account with the network's 24-hour operations center housed at the National Security Agency's Fort Meade headquarters and obtain a password, a would-be user must first have obtained a top-secret security clearance.

Also, Intelink terminals are located only inside top-secret government facilities, and even if a hacker somehow managed to tap into a secure Pentagon phone line and intercepted raw data moving over that line, Mr. Martin says, he would still have to defeat an encryption algorithm the National Security Agency is confident cannot be broken.

STILL, INTELLIGENCE officials such as John Dahms of the CIA, recently appointed the intelligence community's first chief information officer, remain obsessed with security. They are worried not so much about hacker threats from the outside but the potential for penetration from within. A Capitol Hill analyst who monitors intelligence recently called Intelink a "revolution in a positive and negative sense."

The analyst said, "From a counterintelligence point of view, it's as frightening as anything you could imagine," pointing out that a traitor such as Aldrich Ames of the CIA, if given access to Intelink, could download secrets that might not otherwise have been available to him. But even if that were to happen, Mr. Dahms said in a recent interview, it is doubtful that a traitor could use Intelink to obtain information about ongoing intelligence operations and the names of foreign intelligence assets. That kind of information, which Mr. Ames sold to the KGB in the mid-1980s, is not put up on the network, Mr. Dahms said.

All 13 intelligence agencies, Mr. Dahms said, maintain their own internal intranets separated by firewalls from Intelink. Raw, working data about sources and operations

stay inside the firewall, he said, leaving Intelink largely for "finished" intelligence.

"Some people see that as withholding information — begrudgingly putting out the more generic, vanilla intelligence," Mr. Dahms said. "CIA especially falls within that criticism, because so much of our intelligence comes from very sensitive sources. And we're just not about to put it out for 400,000 people to browse."

Given its security obsession, Mr. Dahms said the intelligence community was working on software to renege its "need-to-know" compartmentalization on the network, building certain electronic pages that require their own digital identifications for a user to gain access. But security concerns have failed to keep network use from growing rapidly.

In 1994, several months after Steven Schanzer, an information systems official at the Defense Intelligence Agency, first sold the CIA director at the time, R. James Woolsey, on his vision of a CompuServe kind of environment for the intelligence community, in 1994, the network went on-line with a handful of users. No one was ordered to participate, and no one was told what to post.

"The whole concept was the power of the information," Mr. Schanzer, now director of the Defense Security Service, said in an interview. "It grew almost exponentially from Day 1." Five years ago, production of a "finished" intelligence report often involved a flurry of secure faxes among analysts at different agencies, meetings around Washington and mailing lists for 300 or 400 recipients. Paper documents were then delivered by secure truck and airplane, Mr. Dahms said.

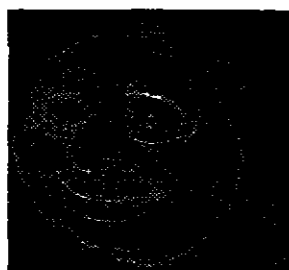
With Intelink, he said, documents are posted instantaneously, and analysts at different agencies are starting to produce intelligence reports collaboratively over the network.



Mr. Martin tells how the network called Intelink has revolutionized the dissemination of U.S. intelligence.



1. In a technique called motion capture, an artist first does a sketch for a cartoon character.



2. Next, a wire-frame outline of the character is drawn on a computer, detailing follows.



3. Then, using a camera, actors film expressions, such as a smile, a kiss, a frown.



4. Finally, the expressions are added to the characters and the details smoothly blended.

## Real-Time Animation Hits Prime Time

Through Computers, Actors Give Cartoon Characters Lifelike Expressions

By Andrea Adelson  
New York Times Service

NEW YORK — Traditional cartoon animators who create two-dimensional characters for television now routinely use computer graphics to replicate the hundreds of frames needed to make a character move.

But the creators of a new U.S. show, "Jay Jay the Jet Plane," are using an entirely different method called real-time performance animation in which the facial expressions of as many as seven actors are detected by sensors and fed into computers, giving expressive vitality to animated characters.

The so-called digital motion-capture technique has never been used for an entire 24-minute show, according to Bruce Johnson, a former Hanna-Barbera executive who started Porchlight Entertainment in Los Angeles to create children's programming.

"Jay Jay" is a joint venture of Porchlight, Chris Walker's Modern Cartoons and the character's creator, David Michel, a Dallas executive who hopes to convert the airplane stories he made up for his son into a licensing franchise.

Digital motion-capture technology has existed for a decade, but its use has been limited to a single virtual character for video or CD-ROM games and for special effects in feature films, such as the figures who dangled from ropes in "Titanic." Animated films such as "Antz" from Dreamworks SKG and "Toy Story" from Walt Disney Co. get their three-dimensional quality through the costly, time-consuming process of adding realistic lighting and backgrounds by computer.

Motion-capture makes animation more affordable by speeding production and lowering costs; it also improves production values by giving characters the humanistic qualities animators strive



Chris Walker, executive producer of Modern Cartoons, demonstrating a camera system that transfers actors' expressions to cartoon characters.

for, said Joan Collins Carey, a visual-effects producer who is assembling a documentary on computer animation.

"The direction Chris is going is leading the rest of the industry," she said. "This is very good for studios that want to kick out content."

To orchestrate all the "Jay Jay" elements — seven character performers, two walk-on live-action characters, miniature sets and seven model airplanes — meant spending \$1 million during the past year converting a missile plant in Oxnard, California, into a studio. Proprietary software that synchronizes 35 Compaq Alpha NT computers does the job.

Like a situation comedy, "Jay Jay" uses several cameras that shift the audience's point of view. "We're shooting 11 minutes of production animation a day," said Douglas Rask, the producer. "It's a volume unheard of in animation."

Modern Cartoons falls short of the

Holy Grail of animation: the simulation of human motion naturally. "Jay Jay" characters rely only on actors' faces; their bodies are airplanes. But Walker thinks the show has achieved a breakthrough.

"We've industrialized cartoon production with motion-capture," he said. "I've been working toward this for 12 years."

The show began last month on the Learning Channel, the cable network owned by Discovery Communications Inc. and distributed to 70 million homes. It has licensed 26 episodes for each of three years. The partners hope to turn a profit by selling foreign broadcast rights and merchandising.

In the last four years, Michel has sold 250,000 "Jay Jay" videos that featured some of the same production techniques, mostly using direct-response advertising on two children's cable channels, Viacom Inc.'s Nickelodeon and Time Warner Inc.'s Cartoon Network.

## ALT / Commentary

## Getting Organized: Just a Click Away

By Margot Williams  
Washington Post Service

WASHINGTON — It's no coincidence that the approaching new year brings thoughts of reorganizing our lives. The shopping aisles are filled with calendars, planners and palmtop digital assistants, all fresh and blank. Once again, we're filled with hope that if we can just find the right kind of organizer, the year will get off to a good start.

Maybe you'll find the calendar or scheduler of your dreams on the Internet.

At more than a half-dozen password-protected on-line sites, you can set up, access and update fifty individual and group calendars, at any time, from any computer connected to the World Wide Web. Presented with familiar choices of daily, weekly or monthly page views, you can schedule one-time or recurring appointments for meetings, events and anniversaries and add preferences from lists of national and religious holidays.

Other features that are offered now or promised soon include scheduled reminders sent to your e-mail account or pager, compatibility with Palm Pilot handheld computers and Microsoft Outlook software, shared calendars for your family or club, and even automatic tracking of your entertainment and shopping interests.

Remind U-Mail ([calendar.swing.upenn.edu](http://calendar.swing.upenn.edu)) is an easy-to-use basic scheduler that was created by a student on a University of Pennsylvania server. As its name indicates, the free service's most useful feature is a fully functional e-mail alert. For any appointment entered in the calendar, you can write yourself a reminder and schedule its automatic delivery to your e-mail box.

Yahoo Calendar ([calendar.yahoo.com](http://calendar.yahoo.com)) is a handy addition to the portal's expanding communication services; you use one password for Yahoo's mail, chat and calendar. The pages resemble the personal information managers on most handheld computers. You can download and upload your personal schedule in Palm Pilot or Microsoft Outlook formats to synchronize with the calendars on your other gadgets.

But unless you're always on-line and able to keep this calendar synchronized with a palmtop and PC, the Web-based calendar is a lot of work without much reward.

Lacking a handheld device, I have to print out the pages on paper and carry them crumpled in my purse or re-enter the appointments in yet another portable appointment book for trips away from my browser.

Besides, I'm still wary about entrusting the details of my daily life to a remote location out in cyberspace. Although I'm willing to believe the Web services' posted commitment to reliability and customer privacy, I also clicked on "I accept" for their posted denials of liability for interrupted service, loss of data and anything else that could go wrong on their side. And I'm not ready to trust that my own connection will always work either.

But other Web-based calendars offer features that my off-line planner can't. One of them is Calendars Net ([www.calendars.net](http://www.calendars.net)), a community-minded calendar-hosting site that encourages groups to maintain on-line schedules of their events. Unlike the community calendars that cling magnetically to your refrigerator door, Web-based calendars can reflect sudden changes or program cancellations — no postage or envelope stuffing required. And this nonprofit site is free of advertising.

For something new and different, When.com ([www.when.com](http://www.when.com)) offers both custom personal and group calendar formats similar to those on the other services along with a database of event listings that you can track and have added to your own schedule automatically.

The service — just one month old and still in test mode — will rely on commercial sponsorship, targeted banner advertising and a revenue stream from the electronic commerce it hopes to produce. On-line shopping partners include Barnes & Noble Inc. and Music Boulevard. Eventually, users will be able to purchase tickets for a multitude of events now listed in When.com's database.

Currently, When.com lets you track events for U.S. and Canadian metropolitan areas provided by Pollstar's popular-music concert and club date listings and the CultureFinder database of dance, opera, symphony and theater performances.

ESPN SportsTicker provides game schedules and other sporting events.

Television listings (with segment descriptions), live multimedia Web events and scheduled Web chats and high-tech trade show schedules are also available.

To track events, you select the type of event and subject or venue. For example, I chose to see new mystery and reference book releases, dance performances in the Washington area and the TV listings for "NYPD Blue" (including late-night reruns) and "Ally McBeal." I also could have asked to see new CD, movie or video releases, horoscopes or weather.

E-mail reminders and palmtop synchronization are not yet available at When.com, but will be coming soon, the company says.

Margot Williams's e-mail address is [williams@washpost.com](mailto:williams@washpost.com).

## SITES

Web calendars include Festival Finder, which lists more than 1,500 music festivals, and TechCalendar, which has technology conferences, seminars and other information and technology events.

[www.festivalfinder.com](http://www.festivalfinder.com) and [www.techweb.com/calendar](http://www.techweb.com/calendar)

Today's Calendar and Clock Page gives the time, date and year according to just about anyone and anything, including the Muslim Prayer Time calculator and the French Revolutionary calendar.

[www.panix.com/~wilder/calendar.shtml](http://www.panix.com/~wilder/calendar.shtml)

## TECHNOLOGY INDEX

Technology stock indexes around the world:

North America	Tuesday close	Pct. change previous week	Pct. change, year to date
Pacific Exchange Tech	405.39	+0.62	+39.52
S&P Tech Composite	1078.82	+2.32	+54.10
Europe			
Morgan Stanley Eurotec	550.07	+1.88	+42.80
Asia			
Topix Electric	1593.14	+1.62	+3.10

For technology articles from the past week, see TribTech on the IHT's World Wide Web site at <http://www.ihrt.com>. Articles include:

- Hong Kong Seeks a Place on High-Tech Map, Nov. 26
- William Satellite Phone: Impressive, but With Limits, Nov. 26
- CompuLink Hurts Sales at Telecom, Nov. 26
- AOL's Master of Deceit: A Low-Key Pioneer, Nov. 26
- Will 400 Days Left to Fix the Millennium Bug, Its Quacks Told, Nov. 27
- Telephones to Invest \$3.8 Billion in Brazil, Nov. 27
- Hitachi Posts Its First Loss, Nov. 27
- Surfing Stormy Internet Seas, Music Pirates, Nov. 30
- Telecom Seeks to Open in Spain and Ireland, Dec. 1
- AirTouch Joins Japan Ventures, Dec. 2

To reach TribTech editors or to comment on IHT tech coverage, send e-mail to [tribtech@ihrt.com](mailto:tribtech@ihrt.com). International Herald Tribune.

## BRIEFLY

**NAZIS' VICTIMS IMMORTALIZED:** A vast project is under way at Yad Vashem, the Holocaust institute in Israel, to build a detailed electronic portrait of European Jewry on the eve of and during the Holocaust. The result would be a computerized database yielding personal information on millions of victims of the Nazis' mass extermination camps, anything available before.

While the undertaking is at an early stage and faces logistic and technical hurdles, researchers in Israel and the United States say the project could become a treasure trove for scholars and the public. It could also help reclaim an accessible form some of the history that perished along with Europe's Jews.

"This has never been done in the annals of mankind with any large community," said Yacov Lozowick, head of the Yad Vashem archives, "and I find it a fine irony that it be done, of all possible groups, precisely with the one group which was to be totally eradicated."

The project will cost up to \$30 million, he said, both to collect documentation not

yet at Yad Vashem and to collate the data. So far, the database includes 1.5 million names, some of them overlapping. By the time it is complete, it is expected to contain 16 million to 20 million such entries, four or five times more than officials at Yad Vashem expected. (WP)

**STAR-QUALITY GRAPHICS:** Hedy Lamarr has settled a lawsuit that alleged Corel Corp. had misappropriated the Hollywood star's image.

The Canadian company announced the settlement but did not disclose the terms. But the deal grants Corel an exclusive license to use a likeness of Miss Lamarr in her youth on the cover of its graphics software packages.

Miss Lamarr, who is now in her 80s, starred in the late 1930s through the '40s such films as "Lady of the Tropics," "Ziegfeld Girl" and "Samson and Delilah." She sued in March after Corel used an illustration of her, created using Corel technology, on the packaging of a version of CorelDRAW. The illustration had won a Corel contest. (Reuters)

**PALMPILOT WITH INTERNET:** 3Com Corp. is expected to introduce a version of its PalmPilot handheld computer this week that lets users connect to the Internet with wireless communications.

The company will unveil the product during its Palm Computing Platform Worldwide Developer Conference for software designers, sources said; 3Com declined to comment.

The PalmPilot, which lets users store data like names and addresses, accounts for more than 70 percent of U.S. sales of handheld computers, with more than 1 million sold this year, according to the market researcher International Data Corp. (Bloomberg)

**HOTMAIL FOR THE MASSES:** Microsoft Corp. said worldwide membership in its free Hotmail e-mail service had surpassed 30 million, reaffirming its position as the biggest electronic mail service in the world.

The software maker said Hotmail added two-thirds of those members since Microsoft bought the service for an es-

timated \$450 million a year ago to enhance its Microsoft Network on-line hub. Hotmail lets users read and send e-mail from any personal computer with Internet access.

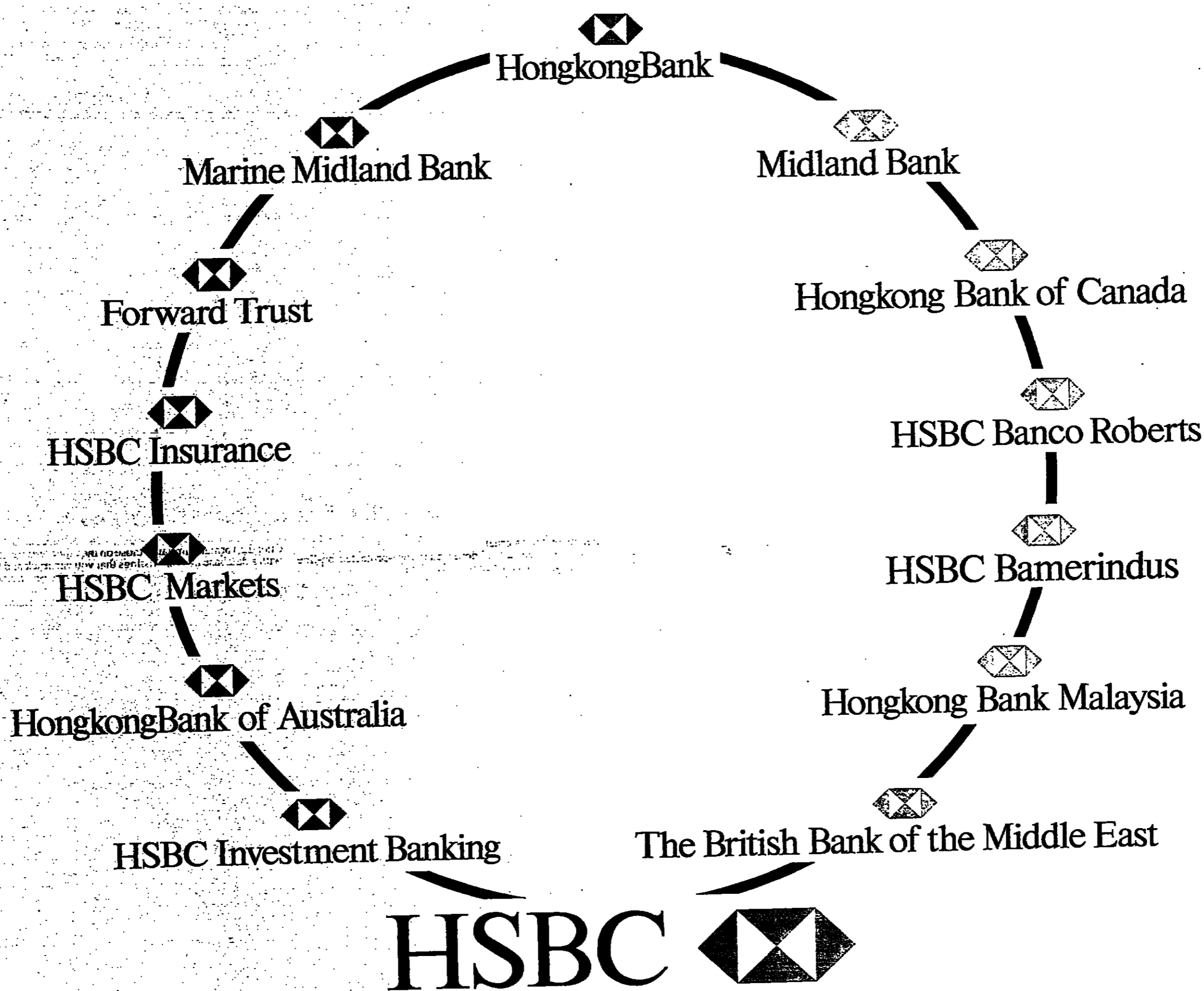
Microsoft has trumpeted Hotmail as a free e-mail service on Microsoft Network, which is being revamped to compete more directly against America Online Inc. Hotmail has more than twice as many members as AOL, Microsoft said. A large audience allows Microsoft to charge advertisers more money. (Bloomberg)

**PHOTOS FOR SALE:** Corbis Corp., the photo archive company owned by the Microsoft chairman, Bill Gates, is now selling on-line more than 1,000 photos and 80 digital images that can be licensed for personal use.

Corbis, which has purchased the rights to 25 million pictures since 1989, is selling poster-sized framed prints of the limited selection for \$16 to \$80. Along with posters, books and notecards of Ansel Adams photos, they can be purchased at [www.corbis.com](http://www.corbis.com). (Bloomberg)

مركز الأمل

# ONE FAMILY, NOW ONE NAME.



We are uniting our family around the world under one name. HSBC.

Why? Because as one of the world's most successful financial services organizations we would like you to understand us better.

You may have met our people already. You talk to them every time you are in touch with one of our family members. But you may

not yet know just how much we can do for you around the corner and around the world.

With more than \$41 billion in capital resources, and 5,500 offices in 79 countries and territories, we are big enough to help and close enough to care.

Talk to us and see. You can be sure of a warm welcome.

## EDITORIALS/OPINION

## Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Oil Gets Thicker

It was only two decades ago that the oil industry seemed to be sitting astride the global economy. Oil prices were high and were expected to continue rising indefinitely, much of the developed world was facing economic difficulties caused in part by high energy prices, and there was fear that inflation would never be brought under control. Now nearly everything has changed, and a struggling oil industry is seeking security through combination as it confronts prices that, adjusted for inflation, are lower than those that prevailed before the first oil shock a quarter of a century ago.

Some causes of low prices, such as warm weather, could change rapidly. Others, such as the recession, will not be with us forever. But the low prices also reflect a technological revolution that has transformed the energy industry. Companies are less likely to drill dry holes, and are able to get more oil from what they do find. Chemical plants and refineries can push out far more product than they once did. Increased production is good for any one company, but not for the industry.

It is against that backdrop that the merger wave must be viewed. Exxon is buying Mobil only months after British Petroleum agreed to buy Amoco. Two big European companies, Total and Petrofina, also are combining.

Much has been written about how John D. Rockefeller's old Standard Oil is being put together decades after an-

trust regulators tore it apart. But these deals are far different. The industry has spent much of the last decade cutting costs as much as it could. Now it seeks savings from consolidation, and companies fear being the last one to do a deal.

Antitrust regulators in many countries will carefully examine the Exxon-Mobil merger, and some divestitures will no doubt be needed. But these deals do not reflect either power over markets or a hope of attaining such power. The oil business is a harshly competitive one in which many companies are only beginning to adjust to this year's plunge in prices.

Mobil and Exxon say their merger will enable them to cut employment by 9,000 jobs, or around 7 percent, and cut capital spending by \$1.5 billion, or 10 percent, but there is a good chance that some of those cuts would have been made anyway.

Big oil remains profitable. Fred Leffler, an analyst at Bear Stearns, forecasts that 1998 profits of Mobil and Exxon combined will total \$8.5 billion. But earnings are falling, and will be under continued pressure if oil prices do not recover sharply.

Perhaps the most revealing comment came in the form of a denial by Lucio Noto, the Mobil chairman. "This is not," he told reporters, "a combination based on desperation."

—THE NEW YORK TIMES.

## Spinning Out of Control

The House Judiciary Committee's impeachment inquiry has spun out of control. On Tuesday the Republicans expanded the inquiry to include campaign finance allegations from the 1996 elections — approving subpoenas for two Justice Department memoranda urging Janet Reno to seek an independent counsel. No matter that, by its own schedule, the panel has only a few days remaining to conduct the duplicate investigation. Some Republican members are maneuvering to be co-conspirators in an attempt to obstruct justice without having done any significant fact-finding on the obstruction allegations in Kenneth Starr's referral. And they spent Tuesday in yet another hearing, this one on the consequences of perjury, that did not advance or clarify the evidentiary record against Bill Clinton.

The move into the campaign finance arena is a sign of incoherence and seeming desperation on the part of the Republicans. The issue has been investigated by a Senate committee, a House committee and a Justice Department task force over the past two years. None of these investigations has developed evidence of what any reasonable person could deem an impeachable offense. The allegations that most implicate the president, in fact, involve an area of law that is quite ambiguous.

Sorting out whether the Clinton campaign engaged in illegality here is best left to the Federal Election Commission, whose staff issued draft audit reports on Tuesday recommending that

both the Clinton and Dole campaigns be required to return millions of dollars in matching funds because of improper coordination between the campaigns and their party committees. Congress has passed up all opportunities to change the campaign finance laws in ways that would clarify that the Democratic National Committee's solicitation and use of soft money in 1996 was illegal. To construe that conduct now as somehow germane to an impeachment inquiry is deeply irresponsible.

It is also a distraction. Unless Republicans mean to drop any consideration of impeachment articles on the obstruction of justice allegations that Mr. Starr sent to Congress, they must attempt to clarify ambiguities in the factual record that he compiled. The grave impact of perjury on the judicial system is certainly a fair point for Republicans to make in the context of this inquiry, but it is no substitute for the establishment of the rigorous factual record that is necessary to debate whether a national election should be overturned by impeaching a president.

The committee's decision regarding whether or not to report articles of impeachment is approaching quickly. Members have no time, let alone credibility, to burn on a fishing expedition on campaign finance, and they have an obligation to attempt to discern whether Mr. Starr's judgments on a whole series of questions were apt ones. The behavior of both parties on the panel has become a kind of caricature.

—THE WASHINGTON POST.

## E-Mail Nightmare

When e-mail first came along, even those too skeptical to fall for promises about the "paperless office" thought it would make record keeping easier and more compact. The U.S. National Archives, having wrestled for years with archiving government e-mail and having been sued several times, knows better. Electronic records, says a September letter from Archivist John W. Carlin, "pose the biggest challenge ever to record keeping in the federal government and elsewhere."

The challenges are technical as well as managerial and political. More and more government departments use e-mail and electronically stored documents in their daily work, but they are on different systems. Periodic upgrades make matters worse, because documents created or stored on one system are often impossible to read or search on another.

The chaos is compounded when these records are transferred, as required by law, to the Archives, which must keep "record copies" of all documents deemed significant — under laws written when documents were created and filed on paper.

The archivist's understandable first

stab at the problem was a ruling that executive branch e-mails could be deleted if paper printouts had been made. It was properly rebuffed by the courts because so much information about an e-mail is lost when it is printed out, including when it was written and sent and who read it.

The Archives' recent announcement that it had endorsed a standard for electronic records management arrived at by the Defense Department is, therefore, a sign of modest progress. It is an outgrowth of an Archives decision to consult with departments on the problems raised by their systems and the kinds of records they generate.

But the strategy also involves encouraging other departments to adopt standards that have been deemed workable, the better to simplify the Archives' task of developing some form in which all government records may someday be stored and searched.

How the government ends up storing its records for posterity also will help shape the approach of libraries and academic institutions. The stakes in this project are as enormous as its daunting complexity.

—THE WASHINGTON POST.

## AIDS Epidemic: An Emergency of Epic Scale

By Lester R. Brown

WASHINGTON — When the United Nations' demographers released their biennial update of world population projections on Oct. 28, they shocked the world. The projections were substantially lower, partly because of the devastating toll of AIDS. The massive rise in deaths now in prospect in many countries marks a tragic new development in world demography.

These projections are the first to use the World Health Organization's new data on HIV infection rates. In some countries in sub-Saharan Africa, a staggering one-fifth to one-fourth of the adult population is HIV-positive. In Zimbabwe it is 26 percent, in Botswana 25 percent, and in Namibia, Swaziland and Zambia 18 to 20 percent.

Barring a medical miracle, these countries will lose one-fifth or more of their adult population to AIDS within the next decade. To find a precedent for such a potentially devastating loss of life from an infectious disease we have to go back to the decimation of New World Indian communities by the introduction of smallpox in the 16th century, or to the bubonic plague that claimed roughly a third of Europe's population during the 14th century.

Industrial countries have been able to

hold HIV infection rates in the adult population under 1 percent, but in developing countries they are soaring. After decades of relentless rapid population growth, these countries are showing signs of demographic fatigue as they struggle with the challenge of educating growing numbers of children, creating jobs for swelling ranks of young job seekers and dealing with the environmental effects of population growth. When a major new threat arises, such as AIDS, governments often cannot muster the leadership energy and fiscal resources to cope.

Social problems routinely managed in industrial societies are becoming full-scale humanitarian crises in many developing ones. As a result, some of the latter are now headed for population stability or even decline in a matter of years, not because of falling birthrates but because of fast-rising death rates.

Rising AIDS fatalities could halt Zimbabwe's population growth in 2002. Life expectancy in Botswana is projected to drop from the historic high of 61 years in 1990 to 41 years in 2000.

In addition to adult deaths from

AIDS, some 30 percent of infants born to HIV-positive mothers are born with the virus. Their life expectancy is two years. The epidemic is also creating a new population subset, AIDS orphans. Already 7.8 million in sub-Saharan Africa, their ranks are growing fast.

The social and economic effects of the HIV epidemic are just starting to materialize. In contrast to most potentially fatal infectious diseases, AIDS takes its toll not so much among the very young and the elderly as among young professionals — the very engineers, accountants and teachers needed to develop the economy. Indeed, the precipitous drop in many countries in life expectancy, the sentinel indicator of economic development, could erase half a century of progress almost overnight.

Two lessons are to be learned from this epidemic. The key to controlling it is to jump on the disease early before it spirals out of control. And population growth must be slowed before even more governments are overwhelmed by demographic fatigue.

Two countries, Thailand and Uganda, have succeeded in curbing the spread of the virus. In both, the epidemic was treated as an emergency.

President Yoweri Museveni led the effort that enabled Uganda, which is probably where the disease originated, to stem the tide. In both countries, an intense educational effort accompanied by the free distribution of condoms played an important role.

Family planning programs and the distribution of condoms are keys to controlling the spread of HIV infections.

Just days before the United Nations released the new projections, a little-noticed amendment, inserted into the U.S. budget at the last minute by the congressional leadership, cut off all funding for the UN Population Fund, the principal source of international family planning assistance. Congress, mired in the quicksand of anti-abortion politics, is depriving developing countries of the assistance they need.

The HIV epidemic should be seen for what it is, an international emergency of epic proportions that could claim more lives in the early years of the next century than World War II did. Any decision to withhold help in controlling it should not be taken lightly.

The writer is president of the Worldwatch Institute. He contributed this comment to The Washington Post.

## In China, Leninist Politics Brings Economic Impasse

By Jim Hoagland

WASHINGTON — The economic news from China makes clear the unsteady, unsettling nature of reform in the world's most populous nation. China's fate is still up for grabs as its Communist rulers veer between free market practices and Leninist politics in their battle for survival.

The aged Politburo has confounded the predictions both of bloody revolution and of smooth transformation to capitalism that flourished at the beginning of the decade. But serious problems are now emerging that could undermine this regime's claim to legitimacy.

President Jiang Zemin and his aides have hoisted themselves on an increasingly dubious promise of delivering 8 percent growth again this year. To achieve that politically sacrosanct target, the government has ordered China's banks to provide more huge unsecured loans to unprofitable state-owned industries that are already deeply in debt.

China's leaders are trying to buy growth by impounding the nation's household savings. They add another story onto the house of cards that they promised to dismantle with free market reforms.

China's rapid growth in the 1990s has become the nation's malice. Growth is cited by the government as justification for the massacres of pro-democracy demonstrators in 1989, for the repression that followed and for the small political openings that Mr. Jiang has allowed more recently. But the retreats from capitalism show how deeply worried the Politburo is by widening unemployment and social unrest that followed factory closings in the spring.

"They are trying to save state-owned enterprises that have been bleeding red ink for a decade or more," says the Brook-

ings scholar Nicholas R. Lardy, "when they should be directing credit toward smaller, nonstate and productive enterprises."

Mr. Lardy's penetrating new book "China's Unfinished Economic Revolution" shows that bank deposits of citizens are being systematically raided by the government to support the failing state industries. Investment funds are being shifted out of fast-growing coastal regions and pumped into slow-growing areas still tied to collectivism.

Mr. Lardy passionately unmasks the shakiness of China's banking system. He suggests that China's respite from the Asian financial crisis is temporary, a prediction that strikes at the heart of President Bill Clinton's entire China strategy.

China's rate of growth is in any event overstated, and dependent on an extraordinarily high household savings rate, Mr. Lardy shows.

His credibility is enhanced by his political approach to his subject. He gives China's financial managers credit for what they have done right. He is a scholar unwilling to accept conventional wisdom, or to sweep unpleasant trends under the rug.

A lack of alternatives and mild coercion seem to account for the willingness of Chinese workers to continue to put their earnings into banks that are legally insolvent and that are forced to lend money to industries that are also bankrupt. This is what Marxist economics has always become when combined with Leninist politics: theft by another name.

A domestic banking crisis could help undermine the coun-

try's fixed exchange rate policy, praised so lavishly this summer by Mr. Clinton and Treasury Secretary Robert Rubin in advance of Mr. Clinton's ceremonial visit. The no-devaluation policy has in fact become a fig leaf for a pernicious export subsidy scheme that is helping boost the U.S. trade deficit with China. And Beijing has now shelved its efforts to join the World Trade Organization, a major objective of Mr. Clinton's China policy.

Do not hold your breath waiting for Washington to call attention to China's backtracking. It is politically inconvenient for Mr. Clinton's special friendship with Mr. Jiang. When facts collide with ideology and politics in Washington, it is usually facts that get smothered in the crib.

Remember the Communist "reforms" that were to lead to

"convergence" between a decadent West and a disciplined Soviet empire? In the months before it collapsed, East Germany continued to be described as the world's 13th strongest economy, a power and a force for stability. Only after the Soviet Union collapsed in economic ruins did the CIA and other analysts stop predicting major industrial growth and constantly expanding budgets for Moscow.

This gigantic analytical failure of the past decade should lead Western governments, corporations and citizens to resist unqualified enthusiasm for and confidence in the economic statistics kept by the Leninist government of China. Lying and theft of personal property are in the very nature of the totalitarian politics that Mr. Jiang and his associates still openly proclaim to be theirs.

The Washington Post.

## For a Regional Peace Regime in South Asia

By Tanvir Ahmad Khan

WASHINGTON — For someone who worked in a senior position in the Pakistan Foreign Office during the India-Pakistan crises of 1965-1967 and early 1990, there never has been any doubt that the fear of escalation into a nuclear exchange prevented the outbreak of total war.

This is not to devalue the outstanding role that American diplomacy played on both occasions in averting a deadly conflict. The roots of frustration lie elsewhere.

It was hoped, especially after the visit to the region of Robert Gates in 1990, that U.S. policy would concentrate on helping the states of South Asia devise a credible architecture of peace and security. Needless to say, the mechanisms for prevention

and resolution of conflicts would be an essential part of this architecture, and addressing potential flash points such as Kashmir would be urgent.

Instead, the United States focused on forcing Pakistan to roll back its nuclear and missile program, while showing an increasing tolerance of ambitious Indian plans to enter the league of nuclear weapon powers.

The steady attenuation of Pakistan's conventional defensive capability by unilateral sanctions only stiffened Pakistani resolve to anchor its safety in nuclear deterrence.

It was no surprise to us in South Asia that this policy ended in the nuclear firestorms of last May. The sequence of

events that began with the serial production and deployment of India's nuclear-capable Prithvi missile near Pakistan's border climaxed in multiple nuclear tests, first by India and then by a reactive Pakistan.

Pakistan has no romantic illusions about nuclear weapons, whereas India regards them as the currency of power and of election to the status of a world power. This defining difference continues to shape the deliberations that have followed the nuclear tests.

Pakistan seeks a regional regime of peace and security and is ready to put its faith in a nonaggression pact with India.

Since both countries have declared a moratorium on nuclear testing and expressed willingness to adhere to the test ban treaty, albeit in considerably different formulations, Pakistan has urged India to join it in working out arrangements for nuclear restraint. The measures proposed by Pakistan can go a long way toward nuclear risk reduction as well as a constructive dialogue on arms limitation and noninterfering deployment of conventional forces.

India rejects a nonaggression pact out of hand, making it impossible for Pakistan to rule out the use of nuclear weapons in a situation of grave asymmetry in conventional force levels. India is embarking upon a military exercise designed to demonstrate that it can overwhelm Pakistan's nuclear deterrent by launching a massive high-speed attack from land, sea and air.

Its message to Pakistan on the question of nuclear and strategic restraint is that it does not regard Pakistan as the right interlocutor; that it has to settle the nuclear issue with Washington and Beijing. India has not moved an inch toward a peaceful negotiated solution of Kashmir.

Stabilization of South Asia on the basis of India's preponderant power was never a feasible goal. What the region needs is a reasonably transparent order that takes into account command, control and communication issues, the role of higher technology in eliminating conflict by mischance and miscalculation, and agreement on ceilings on stockpiles of warheads, missiles and fissile materials.

Fears of an arms race between India and Pakistan are greatly exaggerated, as Pakistan would not be drawn into its minimalist approach to nuclear arsenals and delivery systems is based on military needs and economic restraints. India would justify much larger acquisitions by invoking the non-existent threat from China and by citing technological imperatives of a state seeking a global nuclear status.

The basic task is to establish a durable equilibrium between India and Pakistan based on parity, rather than parity, and that New Delhi does not throw out the window the moment someone mentions China.

The writer, a former senior official at Pakistan's Foreign Ministry, contributed this comment to The Washington Post.

## Ford, General Motors and Hitler

By Frank Rich

NEW YORK — The Swiss banks' stone wall has collapsed. The German industrial giants which exploited slave labor during the war, from Volkswagen to Krupp, are in the crosshairs of class action suits from Holocaust survivors. In Washington this week, 44 nations are represented in a marathon conference co-hosted by the State Department and the Holocaust Memorial Museum to speed the further restitution of Nazi loot, from gold to art.

One piece of the story has received far less scrutiny than the malfeasance of the Germans, the Swiss, the French and others, namely, any collaboration between American corporations and the Nazis.

Just as delegates arrived in Washington, that silence was broken by Michael Dobbs, the Washington Post reporter who last rattled the capital with his revelation of Madeleine Albright's previously unknown Jewish heritage.

Mr. Dobbs raised new questions about Ford and General Motors' longtime contention that they bear no responsibility for the large role that their Nazi-confiscated German subsidiaries played in manufacturing planes and trucks for the Nazi war machine.

Almost as disturbing as the charges themselves is the difficulty the reporter had in getting straightforward information from the companies. Ford at least responded to some of his questions (even as it denied him access to its team of archivists and historians as-

sembling a new public accounting of its wartime past). General Motors' behavior much like the stonewalling Swiss banks. It made no effort to find or produce relevant records, issued a blanket denial of any wrongdoing, and referred Mr. Dobbs (and me) back to its defense against similar charges in a congressional hearing 24 years ago.

When I read a General Motors statement of denial to Bradford Snell, a historian who is completing a book on the auto giant, he laughed and dismissed it as "baloney." He maintains that General Motors' complicity with the Nazis was "pretty deep" — and far more important than that of Switzerland.

In his book he will devote "several hundred pages" to General Motors' wartime history, a story he has assembled over 20 years through interviews with former employees and Albert Speer as well as from documents in German, British, Polish and U.S. archives. General Motors has given him "zero" information to help set the record straight.

That General Motors feels it can dodge a historical reckoning is not only arrogant but perhaps reflective of a general American resistance to airing dirty laundry of the Holocaust era. The Anti-Defamation League's Abraham Foxman points out that most Americans are still unaware of the 1992 exposé, by Linda Hunt, of Operation Paperclip, a post-

war U.S. intelligence operation that gave thousands of Nazi scientists and family members safe harbor in America by expunging war crimes from their records.

In his new biography of Charles Lindbergh, that otherwise excellent writer A. Scott Berg at times toys with sanitizing the all-American hero's anti-Semitism by tossing in everyone-did-it disclaimers. ("The Lindberghs were hardly alone in being swayed by Hitler's magnetism.")

Henry Ford, like Lindbergh, received a medal from the Nazis. Ron Rosenbaum is right in his recent book "Explaining Hitler" when he observes that "it's remarkable how easily — or conveniently — Ford's contribution to Hitler's success has been lost to memory in America."

After reading Mr. Dobbs' article, Mr. Foxman observed: "Just as Switzerland finally realized that the time had come to present the facts, regardless of how ugly they were, the time has also come for GM and Ford to make available all their records."

He noted that while the current leaders of these companies are not culpable for the "omissions and commissions" of their predecessors, we still "need to establish the whole truth, no matter how unsavory and painful it may be."

We need to, but will we? It may be easier for Americans to direct moral outrage at the bankers of Zurich than at a corporation as American as a Buick, as close by as Detroit.

The New York Times.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

## 1898: Society Reform

NEW YORK — Philadelphia has moved at last. Old social customs in that city had grown unkempt, dancing was permitted long after midnight, and club bars were kept open till 1 a.m. Prominent society women of the Quaker City met to reorganize Philadelphia society. They discussed the hours of dining and dancing, and all agreed that half-past seven was late enough for a dinner before a ball, and that eleven was quite late enough to begin dancing. The managers of balls agreed to have lights put out at 2 a.m. Great interest awaits this experiment.

## 1923: 'Radiomania'

MINNEAPOLIS — "Radiomania" is the ground given by Mrs. Cora M. White in seeking divorce from Mr. Gerald White here. She declares that two years ago her husband took up

radio, spent all his time listening to air messages and kept his wife and daughter awake at all hours of the night. Further, she alleges, he spent money for new parties while denying his wife and daughter money for clothes.

## 1948: Italy's Art Loan

ROME — Michelangelo's statue of David will be lent to the National Gallery in Washington. Lending the statue will violate a still effective Fascist law forbidding works of art of more than fifty years of age to leave Italy, members of the staff of the Italian Fine Arts Commission said. They had planned to refuse the American request but the Italian government later decided it would be "politically opportune" to agree. Fascists passed a law against the loan of artworks of art because of their fear that art would be sent abroad as a protection against war damage and might never return.

## Herald Tribune

ESTABLISHED 1887

KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER  
Co-Chairman of the BoardPETER C. GOLDMARK JR., Chairman and Chief Executive Officer  
RICHARD WOOLDRIDGE, President and Chief Operating Officer

MICHAEL GETTLER, Executive Editor

WALTER WELLS, Managing Editor • PAUL HORVITZ, Deputy Managing Editor

KATHERINE KNORR and CHARLES MITCHELLMORE, Deputy Editors

ROBERT J. DONAHUE, Editor of the Editorial Pages

JONATHAN GAGE, Business and Finance Editor • SAMUEL ART, Associate Editor

RENÉ BONDY, Senior Vice President and Chief Financial Officer

DIDIER BRUN, Circulation and Development Director

STEPHEN DUNBAR-JOHNSON, Advertising Director

Directeur de la Publication: Peter C. Goldmark Jr.

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92221 Neuilly-sur-Seine, France.  
Tel: (1) 41.43.93.00. Fax: Subscriptions, (1) 41.43.92.10. Advertising, (1) 41.43.92.12. News, (1) 41.43.93.38.  
Internet address: <http://www.ihl.com> E-Mail: [ihl@ihl.com](mailto:ihl@ihl.com)

Editor for Asia: Michael Richardson, 5 Century Rd., Singapore 119600. Tel: (65) 472-7768. Fax: (65) 274-2334  
Mag. Dir. Asia: Nigel I. Dalton, #1201, 191 Jinn Road, Hong Kong. Tel: 852-2922-1188. Fax: 852-352-1190  
Gen. Mgr. Germany: J. Schiller, Friedländer 12, 69233 Heidelberg. Tel: +49 6224 250 0. Fax: +49 6224 250 20  
U.S. Office: 850 Third Ave., New York, N.Y. 10022. Tel: (212) 723-3800. Fax: (212) 723-3785  
U.K. Advertising Office: 63 Long Acre, London W2C. Tel: (171) 836-4802. Fax: (171) 240-2254  
S.A.S. an capital de 1 200 000 F RCS Nanterre B 732021126. Commission Paritaire No 61337  
©1998, International Herald Tribune. All rights reserved. ISSN: 0246-8022.

## OPINION/LETTERS

To Prevent Rights Abuses,  
Punish the Perpetrators

By Carroll Bogert

NEW YORK — If Britain allows Augusto Pinochet to be extradited to Spain to stand trial for atrocities committed under his 17-year rule, despots elsewhere will take note: If General Pinochet cannot escape the long arm of international law, they might not either.

That would be quite a birthday present to mark the 50 years since the Universal Declaration of Human Rights was adopted on Dec. 10. The world would be likely to see more arrests and, we hope, some actual prosecutions for serious human rights abuses.

Crimes such as genocide and systematic torture have long been matters of "universal jurisdiction," meaning that any state has the power to prosecute them, at least theoretically. But now, some countries are actually willing to do so.

Will this justice be truly universal? Conservative critics have seized on the Pinochet case as evidence that human rights groups have a liberal bias. If General Pinochet, why not Fidel Castro? If you want to prosecute bad guys on the right, how about bad guys on the left?

Our response is: absolutely. Mr. Castro could be guilty of crimes against humanity in his execution of hundreds, if not thousands, of

to the most severe atrocities, including genocide, terrorism and grave war crimes. Other violations, such as censorship or discrimination, may be reprehensible, but they do not carry a legal obligation for other states to get involved.

So could George Bush be prosecuted in a third country for the deaths of Iraqi civilians in the Gulf War? In 1991, a Human Rights Watch investigation found that the Pentagon should have taken greater care to avoid Iraqi civilian targets.

But the deaths of Iraqi civilians do not necessarily constitute a war crime, as defined clearly by the Geneva conventions.

Nevertheless, fears of this type of prosecution have unfortunately led to a paralytic American opposition to the evolving system of international justice, including a treaty establishing a global criminal court — even though that system seeks to uphold the values that the United States has done much to propagate.

President Bill Clinton's administration said Tuesday that it would release some documents on General Pinochet's crimes. But American cooperation on this score has been extremely stingy so far.

Statements have suggested that Chile should be allowed to "wrestle with" justice on its own. But that is absurd: General Pinochet enjoys immunity from prosecution in his home country, and that is highly unlikely to change.

U.S. State Department spokesmen say their "no comments" derive from solemn respect for British law. But Washington's "neutral" stance has been understood as tacit support for the former general in democratic nations that have not hesitated to denounce General Pinochet's crimes.

Some people have suggested that prosecuting General Pinochet would discourage other tyrants from leaving office. Their view is disappointingly short-term.

Looking at it another way: What can we do to prevent human rights abuse before it happens? The most obvious answer must be to ensure that the guilty parties do not get away with it.

Carroll Bogert is the communications director of Human Rights Watch. She contributed this column to The New York Times.



By KIRSCHSTEIN in The New York Post. Call Kirschstein.

## A Contemporary Life and Death

By Alice H.G. Phillips

NEW YORK — I was conceived in Silicon Alley in a bold bid to crack the infant market, then assembled in an offshore production facility in Malaysia.

Disney and PepsiCo were leading investors. My genetically engineered superstructure, a human knockoff,

## MEANWHILE

housed a mail-order IBM-compatible work station, a miniaturized Mercedes-Benz diesel engine and an integrated personal entertainment and waste disposal system. Focus groups failed to distinguish me from a real toddler.

I fed a steady diet of petroleum products, easy credit and nonfat pizza. I expanded like an '80s start-up. When my primary care programmers split off to form their own company, Sony

provided child support. I attended the best educational institutions — Gates Elementary, the pit of the Chicago Mercantile Exchange and the Dershowitz School of Law, with an internship at MTV and a Philip Morris Fellowship year in Asia. From my study of Aquinas, Adidas,

Nietzsche, Nike and Peter Drucker, I learned I had free will. After a fling with an automatic teller, I fell in love with an image from a glossy magazine who was a spin-off of a major motion picture. Her fundamentals were outstanding, but her brand loyalty was always in question.

It turned out she was in bed with a telecommunications consortium that outdid me in fiber-optic capability. They suggested a

bring frozen Danish pastry to developing economies and I put advertising in outer space.

We teleconferenced quarterly with the kids but left it to the home office manager to grow them. He could be counted on to cry "unfair trade practices" when Japan made a cheaper, better copy of Jimmy's science project or China asked Airbus instead of our Suzzie to the prom.

But as the years went by, the continuing financial over-exuberance took its toll. I noticed that my greenfields were thinning

*I was conceived in Silicon Alley in a bold bid to crack the infant market, then assembled in an offshore production facility in Malaysia.*

market share, but I was looking for an exclusive supplier.

Subsequently I merged with her close associate, an agribusiness conglomerate based in Taipei. We established our two cute little joint ventures in TWA's first-class lounge at Chicago's O'Hare airport, between connecting flights, as she pursued her mission to

and my middle managers were getting slack.

The International Monetary Fund no longer took my wife's phone calls. Our daughter refused to launder her money or cover her infrastructure, and our son borrowed the Nigerian oil industry and forgot to return it.

Our currencies began to weaken; a competitor even started a rumor that we were obsolete. The spin doctor prescribed sweeping downsizing, but decades of junk bond bingeing and chronic weapons stockpiling had led to 90 percent blockage of most of our corridors of power and even some of our executive washrooms.

Unionized cells went out on strike, and nonunionized replacements played computer games on the job. Deeply recessed, we had no choice but to short this life; some of our analysts suggested there might be opportunities in the next.

After issuing a disappointing final statement, our corporate entity dissolved. Rivals cannibalized our equipment, our lawyers drained us, and the business press buried us.

The bottom line is, we're dead.

Alice H.G. Phillips is a Manhattan writer. She contributed this column to The New York Times.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

## LETTERS TO THE EDITOR

## Japan's War Record

In response to "Tempest at Tokyo Summit" (Nov. 27):

The claim by Prime Minister Keizo Obuchi's spokesman, Akiyuki Saito, that Japan has "never colonized China" is incorrect. Japan formally colonized Taiwan, which Mr. Obuchi regards as Chinese territory, in 1895. It also invaded China in 1931 to create the puppet state of Manchukuo, recognized only by Japan.

On the same day that Mr. Saito made his comments, a Tokyo court denied compensation to former prisoners of war whose rights under international treaties were violated by the Japanese Army.

If the Japanese government is still unwilling to acknowledge events that occurred decades ago, it is little wonder it is having trouble acknowledging the major cause of the current economic crisis: a sense of infallibility combined with a lack of transparency.

JOHN MEYER, Taipei.

Gregory Clark suggests that the atrocities committed by the Japanese in China were worse than those committed by the Germans in the Soviet Union because the former were indiscriminate while the latter were selective ("Anti-China Sentiment Tips the Balance in Tokyo," Nov. 30).

All wartime atrocities belong in the same category, and none are defensible.

SEDCIRO MIZUNO, Geneva.

## Ethnic Tension in Russia

The report on the rise of ethnic tensions in southern Russia ("Russian Conspiracy-Mongers Round Up the Usual Ethnic Scoundrels," Nov. 16) suggests the need for a concerted international strategy.

Russia's economic crisis will exacerbate intolerance and inter-ethnic tensions, which could spill over into broader conflicts in the region. A case in point are the Meskhetian Turks, cited in the article, who were deported en masse in 1944 and subjected in 1989 to a pogrom in the Fergana Valley in what is now Uzbekistan.

Dispersed in Central Asia, Russia, Ukraine and Azerbaijan, they aspire to return to their ancestral homeland in Georgia, but only a relative handful have been permitted to return. Many live in places such as Russia's Krasnodar region, where they are often subject to discrimination and abuse by local authorities.

The gravity of the situation is reflected in the outcome of a demonstration in September in Georgia by disgruntled Meskhetian Turks. About 80 Meskhetian Turks from Azerbaijan, Georgia and the Russian Federation staged a protest in front of the State Chancellery in central Tbilisi, calling on Georgian authorities to rehabilitate the deported people and take steps to facilitate their return to their homeland along Georgia's border with Turkey.

The international community has proved itself capable of only modest preventive approaches in the former Soviet Union. A recent meeting in The Hague, organized by the Open Society Institute, the Organization for Security and Co-operation in Europe and the United Nations High Commissioner for Refugees, was designed to produce

A realistic international response to Meskhetian issues. The meeting included representatives from Azerbaijan, Georgia and Russia, as well as Meskhetian Turks.

A framework document was agreed upon, and a conference of donor governments is envisioned next year to secure the resources necessary for an international effort to manage the potential crisis.

ARTHUR C. HELTON, New York.

The writer is director of the Open Society Institute.

A Swiss Tightrope

I have failed to find a single article in your newspaper about the "tightrope walking" that the Swiss were forced to perform between the Allies and the Nazis in order to survive as a country and avoid invasion. Had all the other European countries that succumbed to the Germans been as powerfully armed and had as strong a will to survive, Hitler would never have gotten as far as he did.

DONNA ERISMANN-FOOTE, Schönenwerd, Switzerland.

BOOKS

THE TALE OF THE 1002D NIGHT

By Joseph Roth. Translated by Michael Hofmann. 265 pages. \$23.95. St. Martin's Press.

Reviewed by Michiko Kakutani

THE last novel of Joseph Roth's to be published in Europe and the latest of his works to be translated into English, "The Tale of the 1002d Night" (1939) is a disturbing little fable that begins as an erotic roundelay reminiscent of "La Ronde," mutates into a Chekhovian fairy tale of missed connections and failed epiphanies and ends as a pessimistic parable about deception and cultural decline, reminiscent of the work of Horvath.

Though "The 1002d Night" possesses neither the emotional depth nor the historical resonance of Roth's masterpiece, "The Radetzky March" (1932), it embodies all the themes of his mature fiction, and serves, for readers unfamiliar with his work, as a fitting introduction to his haunting oeuvre.

Born in 1894 to Jewish parents in Galicia, on the eastern frontier of the Austro-Hungarian Army during World War I before becoming a journalist, he lived in Vienna and later Berlin. In 1933, with the rise of the Nazis, Roth fled to Paris, where he started drinking heavily and died in 1939.

Though critics have frequently focused on the apparent schism in Roth's work — between the early, liberal-minded novels, which tended to focus on topical social issues, and his later, more conservative fiction, animated by a nostalgia for the vanished world of the Habsburgs — such arguments underplay the enduring current of loss in the author's writing, his lifelong preoccupation with social change and its fallout on individuals. Indeed, Roth's own

sense of exile and rootlessness reverberates throughout his fiction, endowing his feckless, displaced heroes with a vertiginous sense of their own lives passing them by.

Certainly this is the case of Baron Tattinger, the aristocratic army officer whose downfall is recounted in "The Tale of the 1002d Night." Quite clearly a symbol of the declining fortunes (and values) of the Austrian empire, Tattinger is a supercilious man, clueless about his role in a changing world and carefully indifferent to the plight of others. He is "an enigma of nature," a colleague thinks, a man without qualities, neither exceptionally wicked nor exceptionally stupid — just famously in love with himself.

When the baron tires of the rigors of courting the beautiful Helene, he cavalierly moves on to Helene's look-alike, a silly shop girl named Mizzi, who promptly falls in love with him and bears his son, named Xandl. In the ensuing years, Mizzi will end up going to work in a brothel, while Tattinger continues with his self-absorbed existence, refusing to acknowledge the child, who grows up to become a thoughtless bully.

Tattinger's troubles escalate unexpectedly one spring day when the Shah of Persia arrives in Vienna for a visit. The Shah, in search of romantic solace for his restless heart, spots the beautiful Helene, now married to a count, and demands that she be brought to him for the night. The baron suggests that the pious countess, torn between "the laws of decency" and "the laws of hospitality," find a double for Helene, a double who turns out, of course, to be Mizzi.

As a token of his affection, the Shah sends Mizzi a lavish set of pearls, and those pearls swiftly set into motion a series of events that will change the lives of nearly everyone involved.

As for the baron, he will realize, too late, that he has led an unexamined life and that the "blithe insouciance of his younger days" has caught up with him, leading to the loss of his career, his estate and his fortune.

In many respects, the story of the baron's fall reads like a fairy tale: The narrative is framed by two appearances by the mysterious Shah of Persia, and its simple, almost bouncy language, so deftly translated by Michael Hofmann, lends it an uncanny air of the far away and long ago.

Like most of Roth's novels, however, "The Tale of the 1002d Night" is also a potent allegory about his native land, seamlessly moving back and forth between the sweeping vistas of history and his characters' small, personal dilemmas, fluently delineating the shattering consequences that public events can have on private lives.

Along the way, "The 1002d Night" leaves the reader with some indelible glimpses of Vienna on the eve of Hitler's Anschluss: its shopworn streets and cafés and parks, its mood of weary decadence, its atmosphere of cultivated ennui. Nearly every one of this novel's main characters suffers from disenchantment or disillusion.

As Hofmann points out in his introduction, there is a "horror at social change" in "The Tale of the 1002d Night," a nostalgia for the receding past. At the same time, there are ominous portents in this novel, written in 1936-37, of the horror yet to come. In fact, the mocking refrain heard through out the book ("the world was plumply, contentedly, frivolously at peace," "the world was deeply, horribly deeply at peace") assumes an awful irony, as it becomes clear that "a new and still more terrible era was beginning" — the era of Hitler, the era that Roth, in exile, would not live to see run its course.

New York Times Service

BRIDGE

By Alan Truscott

THE oldest world championship competition is the Bermuda Bowl, which dates to 1950. A fascinating account of some of the history is provided in a memoir by one of the best American players, John Swanson. It is called "Inside the Bermuda Bowl."

The author includes revelations about the dark side of the game, cheating allegations against leading players, and demonstrates that bridge organizers were timid about taking strong action. Such problems have been greatly diminished since 1975 with the introduction of screens, which prevent players from seeing their partners. Ironically, a major scandal erupted

the first time the screens were used. The organizers had rejected a suggestion to place a

NORTH (D)  
♠ 10 6 4 3  
♥ K X  
♦ K 7 7 2  
♣ 8

WEST  
♠ J 8  
♥ J 9 7 6 5 3  
♦ 10 6  
♣ K 7 6

EAST  
♠ Q 8 5  
♥ Q 8 2  
♦ Q 8 1  
♣ Q J 10 4 2

SOUTH  
♠ K 7 2  
♥ A Q J 9  
♦ A 9 8  
♣ A 8 5 3

Both sides were vulnerable. The bidding:  
North Pass  
South Pass  
West Pass  
East Pass  
3♦ Pass  
4♦ Pass  
4♠ Pass  
5♠ Pass  
6♠ Pass  
7♠ Pass  
West led the heart 9.

diagonal block under the table, and two Italians were observed to be foot-tapping.

Swanson played the diamond deal with flair in the 1970 contest to select the United States team. He and his partner bid optimistically in six spades, and he faced a heart lead. He won in his hand, cashed the king and ace of spades, and played top hearts.

He was surprised to see his right-hand opponent ruff and lead the club ace. He won the club ace, ruffed a club, and thought matters over. The position is shown at right.

The routine play was to finesse the diamond jack, but Swanson knew a lot about West's hand. It still contained three hearts and, in view of the double of five clubs, the club king. That left at most two

diamonds. He therefore cashed the diamond king hoping that an honor would appear. When it did not, he had to play West for either the queen or the 10. He guessed right by leading the jack from dummy, pinning the 10 and making a slam which, not surprisingly, was not reached in the replay.

NORTH  
♠ 10 6  
♥ —  
♦ K J 7 3  
♣ —

WEST  
♠ —  
♥ J 9 7  
♦ 10 6  
♣ K

EAST  
♠ —  
♥ —  
♦ Q 8 4  
♣ J 10 4 2

SOUTH  
♠ 7  
♥ —  
♦ A 8 5  
♣ 8 5

WWW.

PRIME SITES

WWW.

Arts  
ArtNet  
www.artnet.com

Automobiles  
Fried Open Racing  
www.opr.com

Books  
Absolute Investments Bookstore  
www.absoluteinvestments.com

Education  
Institut de France  
www.institutdefrance.com

AMSTERDAM INST. of France  
Upcoming Courses 1998 see www.ai.nl

BOSTON U. BRUSSELS SPAIN  
www.bostonu.be

CHATEAU DE LA GAGNOTTERIE  
www.gagnotterie.be

CLEC  
www.clec.be

European Council of Int'l Schools  
www.eucol.com

INSEAD  
www.insead.edu

KAPLAN LONDON STUDY CENTRE  
www.kaplanlondon.com

LEYSEN AMERICAN SCHOOL  
www.leyse.com

NEW YORK UNIVERSITY  
www.nyu.edu

QUEEN'S UNIVERSITY  
www.queensu.ca

ROSS UNIVERSITY  
www.ross.edu

Financial Resources  
Global Financial News FREE  
www.gfn.com

FINANCIAL GRAPHICS  
www.fg.com

GLOBAL FUND ANALYSIS  
www.globalfundanalysis.com

GLOBAL INVESTOR BOOKSHOP  
www.globalinvestor.com

Financial Services  
LIVINE FINANCIAL CAPITAL  
www.livine.com

Franchising  
ADA CAR & VAN RENTALS  
www.ada-car.com

ALPHAGRAPHICS  
www.alphagraphics.com

Franchising  
HUSSE PET FOOD PRODUCTS  
www.husse.com

MAIL BOXES ETC.  
www.mbe.com

TUTOR TIME  
www.tutortime.com

ZEBART INTERNATIONAL CORP  
www.zebart.com

Health & Nutrition  
MONTAGNE BOUTIQUE IN LONDON  
www.montagneboutique.com

Import/Export  
CURAN CIGARS FROM SPAIN  
www.curan.com

FOOD REQUESTS and exporters meeting  
point on the net. www.foodrequest.com

TRADING DESK  
EMAIL: 25N@MUSL.COM

INTERNET DELIVERY OF Cuban Cigars  
www.traedecubano.com

Internet Portals  
EUROPE ONLINE  
www.europeonline.com

Internet Services  
INTERNET BUSINESS SOLUTIONS  
www.ibs.com

Media  
INSIDEWORLD NEWS Free  
personalized e-mail news about 17 countries in Central and Eastern Europe.  
www.insideworld.com

INTL. HERALD TRIBUNE  
The World's Daily Newspaper  
www.ihb.com

Medical Services  
FEMLE ENLARGEMENT  
Lengthening & Aloderm Widening  
www.femle.com

DM MEDICAL GROUP  
Hair Transplantation  
www.dm-med.com

Huall International Medical Service  
www.huall.com

MEDICARE FRANCAIS  
http://www.medicare-francais.com

Moving  
Desbordes International  
www.parte-argile.com/housing/desbordes

Music  
MOVIE & TV COMPOSERS  
www.musicpost.com

Offshore Hedge Funds  
MAGNUM FUNDS  
www.magnum.com

Real Estate  
COMPAGNIE IMMOBILIERE  
DEMEURES & CHATEAUX  
FRANCE-ANGLETERRE Ltd.: www.lesmeures.com

DOUGLAS ELLMAN  
www.ellman.com

ITALY-TURCANY & UMBRIA  
www.italyturcany.com

Recruitment  
CAREERPATH  
www.careerpath.com

Restaurants  
CREATIVE CUISINE IN ROME  
"Adriatico" di Chef Giuliano Brenna  
www.bistroverna.com

Shopping  
CONTACT LENSES - BY MAIL  
Low priced Fast delivery Italy only  
http://www.italycontacts.com

PROPERTY SHOES  
WWW.PROPERTYSOES.COM

WESTPORT COGAR  
www.westport.com

Software  
INTERVIEW COMPUTER EXPORT  
www.interview.com

Telecommunications  
INSTANT ON-LINE SIGNUP  
www.phoneworld.com

INTERNET PHONE COMPANY  
www.intphone.com

JUSTICE TECHNOLOGY  
www.justice.com

KALLBACK  
www.kallback.com

NEW WORLD TELECOMMUNICATIONS  
www.newworld.com

Travel  
IMPERIAL TRAVEL CONSULTANTS  
157/Reserve Class CHEAP Flights  
www.imperialtravel.com

A CAPE CODE VACATION?  
www.CapeCodeVacation.com

MOST CHARMING HOTELS IN PARIS  
http://www.pariserve.com

RHODE SCHOOL OF COUSINE  
www.rhodeschool.com

Wine  
CHATEAU HAUT-BRON  
www.haut-bron.com

WWW. PRIME SITES WWW.

List your web-site and e-mail address in our new "Prime Sites" section every Thursday.

For Rates and Deadlines, contact:

For Europe: Sarah Wershof

Tel: +44 171 420 0326

Fax: +44 171 420 0338

For North America: Sandy O'Hara

Tel: +212 752 3890 or 800 572 7212

Fax: +212 755 8785

email: The.INTERMARKET@iht.com

PAC

V

H  
I

L  
N  
R  
V

C  
S  
P  
E  
U  
S  
T

i  
f  
i  
i

T  
A  
R  
G  
E  
T

C  
I  
T  
I  
Z  
E  
N

I  
N  
T  
E  
R  
N  
A  
T  
I  
O  
N  
A  
L

H  
E  
R  
A  
L  
D

T  
R  
I  
B  
U  
N  
E

D  
E  
C  
E  
M  
B  
E  
R

3  
1  
9  
9  
8

T  
H  
U  
R  
S  
D  
A  
Y

D  
E  
C  
E  
M  
B  
E  
R

3  
1  
9  
9  
8

I  
N  
T  
E  
R  
N  
A  
T  
I  
O  
N  
A  
L

H  
E  
R  
A  
L  
D

T  
R  
I  
B  
U  
N  
E

D  
E  
C  
E  
M  
B  
E  
R

3  
1  
9  
9  
8

T  
H  
U  
R  
S  
D  
A  
Y

D  
E  
C  
E  
M  
B  
E  
R

3  
1  
9  
9  
8

I  
N  
T  
E  
R  
N  
A  
T  
I  
O  
N  
A  
L

H  
E  
R  
A  
L  
D

T  
R  
I  
B  
U  
N  
E

D  
E  
C  
E  
M  
B  
E  
R

3  
1  
9  
9  
8

T  
H  
U  
R  
S  
D  
A  
Y

D  
E  
C  
E  
M  
B  
E  
R

3  
1  
9  
9  
8

*Mercedes-Benz Dummy*  
*Series No. 433*

Prefers to work on crash tests  
with SLK Roadsters. Loves to feel  
the wind in his, umm, hair.

*Passion meets Po*

Can you imagine two selfless individuals now taking the short journey into the crash barrier arm in arm? We can. Because the company that was the first to offer many safety features now commonly

found in today's cars and trucks has merged with the people who were the first U.S. manufacturer to offer air bags as standard equipment. DaimlerChrysler. A new company with a long-standing commitment

مكزامن الأما

Bozell Worldwide and Springer & Jacoby

# Si meets Passion

*Dodge Dummy  
Series No. 516*

Loves riding high behind the  
wheel of a Ram Pickup.  
Requests country music on the radio.

[www.daimlerchrysler.com](http://www.daimlerchrysler.com)

to driver and passenger safety. And some of our "employees" have more than a few scars to prove it. DaimlerChrysler: 428,000 extraordinary people. Not to mention some passionately dedicated dummies.

**DAIMLERCHRYSLER**  
*Expect the extraordinary*

**Wednesday's 4 P.M. Close**

The 2,600 most traded stocks of the day.  
 Nationwide prices not reflecting late trades elsewhere.  
 The Associated Press.

[illegible][illegible][illegible]

High	Low	Stock	Debit	FE	1000	High	Low	Stock	Debit	FE	1000	High	Low	Stock	Debit	FE	1000
114	113 1/2	Amgen	100	114 1/2	114 1/2	114 1/2	114 1/2	114 1/2	100	114 1/2	114 1/2	114 1/2	114 1/2	114 1/2	100	114 1/2	114 1/2
113 1/2	113 1/4	Amgen	100	113 1/4	113 1/4	113 1/4	113 1/4	113 1/4	100	113 1/4	113 1/4	113 1/4	113 1/4	113 1/4	100	113 1/4	113 1/4
113 1/4	113 1/8	Amgen	100	113 1/8	113 1/8	113 1/8	113 1/8	113 1/8	100	113 1/8	113 1/8	113 1/8	113 1/8	113 1/8	100	113 1/8	113 1/8
113 1/8	113 1/16	Amgen	100	113 1/16	113 1/16	113 1/16	113 1/16	113 1/16	100	113 1/16	113 1/16	113 1/16	113 1/16	113 1/16	100	113 1/16	113 1/16
113 1/16	113 1/32	Amgen	100	113 1/32	113 1/32	113 1/32	113 1/32	113 1/32	100	113 1/32	113 1/32	113 1/32	113 1/32	113 1/32	100	113 1/32	113 1/32
113 1/32	113 1/64	Amgen	100	113 1/64	113 1/64	113 1/64	113 1/64	113 1/64	100	113 1/64	113 1/64	113 1/64	113 1/64	113 1/64	100	113 1/64	113 1/64
113 1/64	113 1/128	Amgen	100	113 1/128	113 1/128	113 1/128	113 1/128	113 1/128	100	113 1/128	113 1/128	113 1/128	113 1/128	113 1/128	100	113 1/128	113 1/128
113 1/128	113 1/256	Amgen	100	113 1/256	113 1/256	113 1/256	113 1/256	113 1/256	100	113 1/256	113 1/256	113 1/256	113 1/256	113 1/256	100	113 1/256	113 1/256
113 1/256	113 1/512	Amgen	100	113 1/512	113 1/512	113 1/512	113 1/512	113 1/512	100	113 1/512	113 1/512	113 1/512	113 1/512	113 1/512	100	113 1/512	113 1/512
113 1/512	113 1/1024	Amgen	100	113 1/1024	113 1/1024	113 1/1024	113 1/1024	113 1/1024	100	113 1/1024	113 1/1024	113 1/1024	113 1/1024	113 1/1024	100	113 1/1024	113 1/1024
113 1/1024	113 1/2048	Amgen	100	113 1/2048	113 1/2048	113 1/2048	113 1/2048	113 1/2048	100	113 1/2048	113 1/2048	113 1/2048	113 1/2048	113 1/2048	100	113 1/2048	113 1/2048
113 1/2048	113 1/4096	Amgen	100	113 1/4096	113 1/4096	113 1/4096	113 1/4096	113 1/4096	100	113 1/4096	113 1/4096	113 1/4096	113 1/4096	113 1/4096	100	113 1/4096	113 1/4096
113 1/4096	113 1/8192	Amgen	100	113 1/8192	113 1/8192	113 1/8192	113 1/8192	113 1/8192	100	113 1/8192	113 1/8192	113 1/8192	113 1/8192	113 1/8192	100	113 1/8192	113 1/8192
113 1/8192	113 1/16384	Amgen	100	113 1/16384	113 1/16384	113 1/16384	113 1/16384	113 1/16384	100	113 1/16384	113 1/16384	113 1/16384	113 1/16384	113 1/16384	100	113 1/16384	113 1/16384
113 1/16384	113 1/32768	Amgen	100	113 1/32768	113 1/32768	113 1/32768	113 1/32768	113 1/32768	100	113 1/32768	113 1/32768	113 1/32768	113 1/32768	113 1/32768	100	113 1/32768	113 1/32768
113 1/32768	113 1/65536	Amgen	100	113 1/65536	113 1/65536	113 1/65536	113 1/65536	113 1/65536	100	113 1/65536	113 1/65536	113 1/65536	113 1/65536	113 1/65536	100	113 1/65536	113 1/65536
113 1/65536	113 1/131072	Amgen	100	113 1/131072	113 1/131072	113 1/131072	113 1/131072	113 1/131072	100	113 1/131072	113 1/131072	113 1/131072	113 1/131072	113			

[illegible][illegible]

Continued on Page 16

**Global Client**

# Giant Faces Hit

## rope's (Defensive

**CURRENCY**





## EUROPE

# Rover Chairman Quits Over Lack of Profits

## 'Somebody Must Stand Up and Be Counted'

By Alan Cowell  
New York Times Service

LONDON — The chairman of Rover Group, a subsidiary of Germany's BMW AG, resigned Wednesday, saying "somebody has to be prepared to stand up and be counted" for the company's failure to turn a profit.

The resignation of Walter Haselkuss, the BMW-appointed Rover chairman, emerged as the British automaker disclosed proposals for a package of job cuts, innovative working hours, government aid and new investment to wrench the company into thus far elusive profitability.

With Britain locked in dispute with its European Union partners,

particularly Germany and France, over proposals to "harmonize" some European taxes, BMW's rescue mission, based on the flexible work hours system used at BMW plants in Germany, offered a vivid example of private business setting the pace in establishing European-wide practices.

"If the British auto industry can't go along with this, it's a very bad sign about the industry going forward," said Nick Snee, an analyst with J.P. Morgan.

BMW bought Rover from British Aerospace in 1994 but has been frustrated by the British company's inability to make a profit.

Mr. Haselkuss, who has been with BMW for 22 years, had taken a high profile in recent months, blaming the strong British pound for undermining Rover's exports. "The British car market is profitable but part of that is because the pound is very strong," said Mr. Snee. "Cars made in France and sold in Britain make a profit, but Rover is losing money. Part of Rover's problem has been that the pound has been so strong that imports are cheaper."

Mr. Haselkuss acknowledged Wednesday that he had underestimated the competitiveness of the British market. "When I look around, I look to myself," he said. "I feel quite strongly that somebody has to be prepared to stand up and be counted. This was a very difficult and painful process for me."

He is to be replaced by Werner Samann, a BMW veteran and head of the BMW Engine and Chassis division for the past six years.

Earlier, BMW and unions confirmed details of a deal that will see at least 2,500 jobs cut from the work force of 39,000, and more flexible working practices introduced.

BMW also offered to invest a further \$3.2 billion in the company provided the British government sinks financial aid, reportedly worth some \$400 million, in the development of new model ranges. There was no immediate guarantee of aid from British ministers, who largely welcomed the plan. A key part of the deal is that it will secure the continued use of Rover's biggest plant, at Longbridge near Birmingham.



Jean-Cyril Spinetta, the chairman of Air France, says the state-owned airline is now ready for the public sale of shares.

# Summer Pilots' Strike Hits Air France Profit

Compiled by Our Staff From Dispatches

PARIS — Air France said Wednesday that a strike by pilots during the peak summer travel season helped drive its first-half profit down 23 percent.

The state-owned carrier earned 1.34 billion French francs (\$237.6 million) in the six months to Sept. 30, down from 1.75 billion francs a year ago. Sales rose to 29.91 billion francs from 29.77 billion francs.

The results came as the government prepares Air France for a partial privatization next year. The state will float a 20 percent stake and offer shares to pilots in return for a salary freeze.

A 10-day pilots' strike in June led to a loss of more than 1.5 billion francs in revenue, Air France said, estimating the overall cost of the disruption at 1.3 billion francs. The strike ended after the company decided to ditch a divisive two-tier pay scale and offer the pilots shares. Analysts said the deal should help earnings over the longer term and ensure the success of a share sale next year.

"Costs are under control, and the dispute with pilots is settled," said Chris Partridge, associate director of aerospace finance at Deutsche Bank in London.

The airline needs to show that earnings are likely to rise to persuade investors to buy its stock rather than that of other state-owned airlines to be sold in 1999.

"When I was chosen to do this job, the government asked me to get the company ready for partial sale to the public," said the Air France chairman, Jean-Cyril Spinetta, who was appointed CEO in September 1997. "Now we are ready for the sale."

Air France also said Wednesday it would choose next year between its two U.S. partners, Delta Air Lines Inc. and Continental Airlines Inc., to form a "global air transport alliance."

(Reuters, Bloomberg, AFX)

# Deutsche Buying Unit Of Lyonnais

FRANKFURT — Deutsche Bank AG confirmed Wednesday that its expansion drive was carrying it into Belgium, announcing that it would acquire the Belgian unit of Credit Lyonnais SA for about 1 billion Deutsche marks (\$594 million).

Deutsche said it would merge its Belgian business with that of Credit Lyonnais Belgium, which has 38 branches, 950 employees, 186,000 customers and assets of 465 billion Belgian francs (\$13.4 billion). Credit Lyonnais Belgium's branches will be renamed Deutsche Bank.

The deal, expected to be completed in the first quarter of next year, is Deutsche's second big acquisition announced this week. It said Monday it was buying Bankers Trust Corp. of the United States for \$10.1 billion.

The takeover of the Credit Lyonnais unit shows that Deutsche remains determined to grow in continental Europe, which will be its enlarged home market after the introduction of the single currency, the euro, Jan. 1. The Belgian unit is one of several subsidiaries that state-controlled Credit Lyonnais was obliged to sell in return for European Union approval of aid from the French government.

# Safmarine to Get Bid From Bolloré

JOHANNESBURG — Bolloré Technologies SA of France said Wednesday that it would bid for Safmarine, the biggest shipping company in South Africa, to strengthen its operations in Africa.

The bidding for Safmarine, which handles about 25 percent of world-wide shipping of refrigerated goods, closed Wednesday. Analysts estimate the company's worth at 1.8 billion rand to 2.4 billion rand (\$317.9 million to \$423.8 million), though the size of Bolloré's bid was not revealed. The shipper's parent, Safmarine & Rennie Holdings Ltd., is selling the businesses and distributing the proceeds to shareholders.

# Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
6030	5100	4400
5530	5050	3800
5030	5000	3500
4530	4950	3200
4030	4900	2900
3530	4850	2600
3030	4800	2300
2530	4750	2000
2030	4700	1700
1530	4650	1400
1030	4600	1100
530	4550	800

Source: Reuters

# Very briefly:

- Greece named George Simeonidis the chief executive of Hellenic Telecommunications Organization SA, succeeding George Chrysosouris, who resigned after just 10 months at the top of Greece's largest telephone company.
- Societe Generale SA would like a "serious industrial alliance" with Credit Lyonnais SA, which the French government is selling next year, the chief executive of Societe Generale, Daniel Bouton, told the French business weekly L'Expansion.
- ING Groep NV, a Dutch financial-services company, does not intend to abandon its corporate and investment-banking divisions despite reporting a loss of 330 million guilders (\$174.5 million) in the company's banking business.
- Shell UK, part of the British-Dutch oil giant Royal Dutch/Shell Group, plans to open its first Select convenience store in Britain that is not attached to a gasoline station, Friday in central London. The company, which has stand-alone stores in Portugal and Scandinavia, said nonfuel purchases represented as much as 60 percent of sales at some Shell stations.
- News Communications & Media PLC, a British regional newspaper publisher with 125 titles, plans to cut as many as 160 jobs as it closes its production plant in Dursley, Gloucestershire, next year.
- Ete Group SA, a Belgian building-materials maker, offered to buy Marley PLC of Britain for £364.8 million (\$602.9 million); the bid was 29 percent higher than one made last week by John Mansfield PLC.
- Vimpele Communications AO reported a \$44 million loss for the third quarter, citing huge write-downs in its investments and negative exchange rates. The Russian cellular-telephone operator also plans to sell 25 percent of its voting stock to Telenor AS of Norway.

Bloomberg, Reuters

# WORLD STOCK MARKETS

Wednesday, Dec. 2  
Daily prices in local currencies.

High Low Close Prev.

Amsterdam AEX index: 1922.88  
Previous: 1922.88

Frankfurt DAX index: 4071.39  
Previous: 4071.39

London FTSE 100 index: 5100.00  
Previous: 5100.00

Paris CAC 40 index: 4400.00  
Previous: 4400.00

Tel Aviv TA 35 index: 2581.21  
Previous: 2581.21

Tokyo Nikkei 225 index: 14964.42  
Previous: 14964.42

Hong Kong Hang Seng 19500.78  
Previous: 19500.78

Bombay S&P 100 index: 5222.25  
Previous: 5222.25

Buenos Aires Merval index: 471.20  
Previous: 471.20

Copenhagen C20 index: 294.32  
Previous: 294.32

Copeland B index: 245.00  
Previous: 245.00

Copeland D index: 330.00  
Previous: 330.00

Copeland E index: 330.00  
Previous: 330.00

Copeland F index: 330.00  
Previous: 330.00

Copeland G index: 330.00  
Previous: 330.00

Copeland H index: 330.00  
Previous: 330.00

Copeland I index: 330.00  
Previous: 330.00

Copeland J index: 330.00  
Previous: 330.00

Copeland K index: 330.00  
Previous: 330.00

Copeland L index: 330.00  
Previous: 330.00

Copeland M index: 330.00  
Previous: 330.00

Copeland N index: 330.00  
Previous: 330.00

Copeland O index: 330.00  
Previous: 330.00

Copeland P index: 330.00  
Previous: 330.00

Copeland Q index: 330.00  
Previous: 330.00

Copeland R index: 330.00  
Previous: 330.00

Copeland S index: 330.00  
Previous: 330.00

Copeland T index: 330.00  
Previous: 330.00

Copeland U index: 330.00  
Previous: 330.00

Copeland V index: 330.00  
Previous: 330.00

Copeland W index: 330.00  
Previous: 330.00

Copeland X index: 330.00  
Previous: 330.00

Copeland Y index: 330.00  
Previous: 330.00

Copeland Z index: 330.00  
Previous: 330.00

Copeland AA index: 330.00  
Previous: 330.00

Copeland AB index: 330.00  
Previous: 330.00

Copeland AC index: 330.00  
Previous: 330.00

Copeland AD index: 330.00  
Previous: 330.00

Copeland AE index: 330.00  
Previous: 330.00

Copeland AF index: 330.00  
Previous: 330.00

Copeland AG index: 330.00  
Previous: 330.00

Copeland AH index: 330.00  
Previous: 330.00

Copeland AI index: 330.00  
Previous: 330.00

Copeland AJ index: 330.00  
Previous: 330.00

Copeland AK index: 330.00  
Previous: 330.00

Copeland AL index: 330.00  
Previous: 330.00

High Low Close Prev.

Amsterdam AEX index: 1922.88  
Previous: 1922.88

Frankfurt DAX index: 4071.39  
Previous: 4071.39

London FTSE 100 index: 5100.00  
Previous: 5100.00

Paris CAC 40 index: 4400.00  
Previous: 4400.00

Tel Aviv TA 35 index: 2581.21  
Previous: 2581.21

Tokyo Nikkei 225 index: 14964.42  
Previous: 14964.42

Hong Kong Hang Seng 19500.78  
Previous: 19500.78

Bombay S&P 100 index: 5222.25  
Previous: 5222.25

Buenos Aires Merval index: 471.20  
Previous: 471.20

Copenhagen C20 index: 294.32  
Previous: 294.32

Copeland B index: 245.00  
Previous: 245.00

Copeland D index: 330.00  
Previous: 330.00

Copeland E index: 330.00  
Previous: 330.00

Copeland F index: 330.00  
Previous: 330.00

Copeland G index: 330.00  
Previous: 330.00

Copeland H index: 330.00  
Previous: 330.00

Copeland I index: 330.00  
Previous: 330.00

Copeland J index: 330.00  
Previous: 330.00

Copeland K index: 330.00  
Previous: 330.00

Copeland L index: 330.00  
Previous: 330.00

Copeland M index: 330.00  
Previous: 330.00

Copeland N index: 330.00  
Previous: 330.00

Copeland O index: 330.00  
Previous: 330.00

Copeland P index: 330.00  
Previous: 330.00

Copeland Q index: 330.00  
Previous: 330.00

Copeland R index: 330.00  
Previous: 330.00

Copeland S index: 330.00  
Previous: 330.00

Copeland T index: 330.00  
Previous: 330.00

Copeland U index: 330.00  
Previous: 330.00

Copeland V index: 330.00  
Previous: 330.00

Copeland W index: 330.00  
Previous: 330.00

Copeland X index: 330.00  
Previous: 330.00

Copeland Y index: 330.00  
Previous: 330.00

Copeland Z index: 330.00  
Previous: 330.00

Copeland AA index: 330.00  
Previous: 330.00

Copeland AB index: 330.00  
Previous: 330.00

Copeland AC index: 330.00  
Previous: 330.00

Copeland AD index: 330.00  
Previous: 330.00

Copeland AE index: 330.00  
Previous: 330.00

Copeland AF index: 330.00  
Previous: 330.00

Copeland AG index: 330.00  
Previous: 330.00

Copeland AH index: 330.00  
Previous: 330.00

Copeland AI index: 330.00  
Previous: 330.00

Copeland AJ index: 330.00  
Previous: 330.00

Copeland AK index: 330.00  
Previous: 330.00

Copeland AL index: 330.00  
Previous: 330.00

Copeland AM index: 330.00  
Previous: 330.00

Copeland AN index: 330.00  
Previous: 330.00

High Low Close Prev.

Amsterdam AEX index: 1922.88  
Previous: 1922.88

Frankfurt DAX index: 4071.39  
Previous: 4071.39

London FTSE 100 index: 5100.00  
Previous: 5100.00

Paris CAC 40 index: 4400.00  
Previous: 4400.00

Tel Aviv TA 35 index: 2581.21  
Previous: 2581.21

Tokyo Nikkei 225 index: 14964.42  
Previous: 14964.42

Hong Kong Hang Seng 19500.78  
Previous: 19500.78

Bombay S&P 100 index: 5222.25  
Previous: 5222.25

Buenos Aires Merval index: 471.20  
Previous: 471.20

Copenhagen C20 index: 294.32  
Previous: 294.32

Copeland B index: 245.00  
Previous: 245.00

Copeland D index: 330.00  
Previous: 330.00

Copeland E index: 330.00  
Previous: 330.00

Copeland F index: 330.00  
Previous: 330.00

Copeland G index: 330.00  
Previous: 330.00

Copeland H index: 330.00  
Previous: 330.00

Copeland I index: 330.00  
Previous: 330.00

Copeland J index: 330.00  
Previous: 330.00

Copeland K index: 330.00  
Previous: 330.00

Copeland L index: 330.00  
Previous: 330.00

Copeland M index: 330.00  
Previous: 330.00

Copeland N index: 330.00  
Previous: 330.00

Copeland O index: 330.00  
Previous: 330.00

Copeland P index: 330.00  
Previous: 330.00

Copeland Q index: 330.00  
Previous: 330.00

Copeland R index: 330.00  
Previous: 330.00

Copeland S index: 330.00  
Previous: 330.00

Copeland T index: 330.00  
Previous: 330.00

Copeland U index: 330.00  
Previous: 330.00

Copeland V index: 330.00  
Previous: 330.00

Copeland W index: 330.00  
Previous: 330.00

Copeland X index: 330.00  
Previous: 330.00

Copeland Y index: 330.00  
Previous: 330.00

Copeland Z index: 330.00  
Previous: 330.00

Copeland AA index: 330.00  
Previous: 330.00

Copeland AB index: 330.00  
Previous: 330.00

Copeland AC index: 330.00  
Previous: 330.00

Copeland AD index: 330.00  
Previous: 330.00

Copeland AE index: 330.00  
Previous: 330.00

Copeland AF index: 330.00  
Previous: 330.00

Copeland AG index: 330.00  
Previous: 330.00

Copeland AH index: 330.00  
Previous: 330.00

Copeland AI index: 330.00  
Previous: 330.00

Copeland AJ index: 330.00  
Previous: 330.00

**NASDAQ**

**Wednesday's 4 P.M.**

— The 1,000 most traded National Market securities in terms of dollar value, updated twice a year.

12 Month		Stock	Div	Yld	PE	52 Week High	Low	Latest	Change
High	Low								

Year	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100
1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	

[illegible][illegible]

12 March Div Y10 PE 52 High Low Latent Olyp

1. 姓名: <input type="text"/>		2. 性别: <input type="text"/>		3. 年龄: <input type="text"/>		4. 民族: <input type="text"/>		5. 籍贯: <input type="text"/>		6. 职业: <input type="text"/>		7. 学历: <input type="text"/>		8. 婚姻状况: <input type="text"/>		9. 健康状况: <input type="text"/>		10. 其他: <input type="text"/>	
11. 身份证号: <input type="text"/>		12. 联系电话: <input type="text"/>		13. 电子邮箱: <input type="text"/>		14. 联系地址: <input type="text"/>		15. 邮政编码: <input type="text"/>		16. 工作单位: <input type="text"/>		17. 入职日期: <input type="text"/>		18. 试用期: <input type="text"/>		19. 转正日期: <input type="text"/>		20. 其他: <input type="text"/>	
21. 入职原因: <input type="text"/>		22. 应聘职位: <input type="text"/>		23. 薪资期望: <input type="text"/>		24. 福利期望: <input type="text"/>		25. 培训期望: <input type="text"/>		26. 晋升期望: <input type="text"/>		27. 离职原因: <input type="text"/>		28. 离职日期: <input type="text"/>		29. 其他: <input type="text"/>		30. 备注: <input type="text"/>	

17 Month 50 Low Stock Div Yld PE 50 100% High Low Latest Close

1. 姓名: 王德胜  
 2. 性别: 男  
 3. 年龄: 45  
 4. 民族: 汉族  
 5. 籍贯: 河南省郑州市  
 6. 职业: 教师  
 7. 学历: 本科  
 8. 婚姻状况: 已婚  
 9. 健康状况: 良好  
 10. 政治面貌: 中共党员  
 11. 宗教信仰: 无  
 12. 兴趣爱好: 阅读、运动  
 13. 特长: 写作、演讲  
 14. 自我评价: 为人正直, 工作认真负责, 有较强的组织协调能力。

Low Stock	DIV YIELD PE P/B High	Low	High	
	1.6071 17.98	1.00	1.01	1.01

[illegible]

11

[illegible]**NYSE**

**Wednesday's 4 P.M. Close**

(Continued)

[illegible][illegible]

1	12 Month		Stock	Div	Yld	PE	Std		Low	Latest	C
	High	Low					100s	High			

100%	11%	PhyP	0	13	139	15%	15%
99%	10%	PhyP	0	13	139	15%	15%
98%	9%	PhyP	0	13	139	15%	15%
97%	8%	PhyP	0	13	139	15%	15%
96%	7%	PhyP	0	13	139	15%	15%
95%	6%	PhyP	0	13	139	15%	15%
94%	5%	PhyP	0	13	139	15%	15%
93%	4%	PhyP	0	13	139	15%	15%
92%	3%	PhyP	0	13	139	15%	15%
91%	2%	PhyP	0	13	139	15%	15%
90%	1%	PhyP	0	13	139	15%	15%
89%	0%	PhyP	0	13	139	15%	15%
88%	0%	PhyP	0	13	139	15%	15%
87%	0%	PhyP	0	13	139	15%	15%
86%	0%	PhyP	0	13	139	15%	15%
85%	0%	PhyP	0	13	139	15%	15%
84%	0%	PhyP	0	13	139	15%	15%
83%	0%	PhyP	0	13	139	15%	15%
82%	0%	PhyP	0	13	139	15%	15%
81%	0%	PhyP	0	13	139	15%	15%
80%	0%	PhyP	0	13	139	15%	15%
79%	0%	PhyP	0	13	139	15%	15%
78%	0%	PhyP	0	13	139	15%	15%
77%	0%	PhyP	0	13	139	15%	15%
76%	0%	PhyP	0	13	139	15%	15%
75%	0%	PhyP	0	13	139	15%	15%
74%	0%	PhyP	0	13	139	15%	15%
73%	0%	PhyP	0	13	139	15%	15%
72%	0%	PhyP	0	13	139	15%	15%
71%	0%	PhyP	0	13	139	15%	15%
70%	0%	PhyP	0	13	139	15%	15%
69%	0%	PhyP	0	13	139	15%	15%
68%	0%	PhyP	0	13	139	15%	15%
67%	0%	PhyP	0	13	139	15%	15%
66%	0%	PhyP	0	13	139	15%	15%
65%	0%	PhyP	0	13	139	15%	15%
64%	0%	PhyP	0	13	139	15%	15%
63%	0%	PhyP	0	13	139	15%	15%
62%	0%	PhyP	0	13	139	15%	15%
61%	0%	PhyP	0	13	139	15%	15%
60%	0%	PhyP	0	13	139	15%	15%
59%	0%	PhyP	0	13	139	15%	15%
58%	0%	PhyP	0	13	139	15%	15%
57%	0%	PhyP	0	13	139	15%	15%
56%	0%	PhyP	0	13	139	15%	15%
55%	0%	PhyP	0	13	139	15%	15%
54%	0%	PhyP	0	13	139	15%	15%
53%	0%	PhyP	0	13	139	15%	15%
52%	0%	PhyP	0	13	139	15%	15%
51%	0%	PhyP	0	13	139	15%	15%
50%	0%	PhyP	0	13	139	15%	15%
49%	0%	PhyP	0	13	139	15%	15%
48%	0%	PhyP	0	13	139	15%	15%
47%	0%	PhyP	0	13	139	15%	15%
46%	0%	PhyP	0	13	139	15%	15%
45%	0%	PhyP	0	13	139	15%	15%
44%	0%	PhyP	0	13	139	15%	15%
43%	0%	PhyP	0	13	139	15%	15%
42%	0%	PhyP	0	13	139	15%	15%
41%	0%	PhyP	0	13	139	15%	15%
40%	0%	PhyP	0	13	139	15%	15%
39%	0%	PhyP	0	13	139	15%	15%
38%	0%	PhyP	0	13	139	15%	15%
37%	0%	PhyP	0	13	139	15%	15%
36%	0%	PhyP	0	13	139	15%	15%
35%	0%	PhyP	0	13	139	15%	15%</

12 Month Stock Div Yld PE 100s High Low Latest Cl

776	24	Rosalia	48	26	373	476	476
777	24	Roberto	213	74	12	476	476
778	24	Rodriguez	186	12	476	476	476
779	24	Rodriguez	186	12	476	476	476
780	24	Rodriguez	186	12	476	476	476
781	24	Rodriguez	186	12	476	476	476
782	24	Rodriguez	186	12	476	476	476
783	24	Rodriguez	186	12	476	476	476
784	24	Rodriguez	186	12	476	476	476
785	24	Rodriguez	186	12	476	476	476
786	24	Rodriguez	186	12	476	476	476
787	24	Rodriguez	186	12	476	476	476
788	24	Rodriguez	186	12	476	476	476
789	24	Rodriguez	186	12	476	476	476
790	24	Rodriguez	186	12	476	476	476
791	24	Rodriguez	186	12	476	476	476
792	24	Rodriguez	186	12	476	476	476
793	24	Rodriguez	186	12	476	476	476
794	24	Rodriguez	186	12	476	476	476
795	24	Rodriguez	186	12	476	476	476
796	24	Rodriguez	186	12	476	476	476
797	24	Rodriguez	186	12	476	476	476
798	24	Rodriguez	186	12	476	476	476
799	24	Rodriguez	186	12	476	476	476
800	24	Rodriguez	186	12	476	476	476

High	Low	Stock	Div Yld	PE	100s High	Low	Local Ch
100	99 1/4	100	2.81	70.2	1.00	92 1/2	92 1/2

[illegible][illegible]

1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030

V-M-X

[illegible]

# Math and North

## Analysts Expect Some Exit Out of Automob

### ENTRIST: High Hurdles

1  
 2  
 3  
 4  
 5  
 6  
 7  
 8  
 9  
 10  
 11  
 12  
 13  
 14  
 15  
 16  
 17  
 18  
 19  
 20  
 21  
 22  
 23  
 24  
 25  
 26  
 27  
 28  
 29  
 30  
 31  
 32  
 33  
 34  
 35  
 36  
 37  
 38  
 39  
 40  
 41  
 42  
 43  
 44  
 45  
 46  
 47  
 48  
 49  
 50  
 51  
 52  
 53  
 54  
 55  
 56  
 57  
 58  
 59  
 60  
 61  
 62  
 63  
 64  
 65  
 66  
 67  
 68  
 69  
 70  
 71  
 72  
 73  
 74  
 75  
 76  
 77  
 78  
 79  
 80  
 81  
 82  
 83  
 84  
 85  
 86  
 87  
 88  
 89  
 90  
 91  
 92  
 93  
 94  
 95  
 96  
 97  
 98  
 99  
 100  
 101  
 102  
 103  
 104  
 105  
 106  
 107  
 108  
 109  
 110  
 111  
 112  
 113  
 114  
 115  
 116  
 117  
 118  
 119  
 120  
 121  
 122  
 123  
 124  
 125  
 126  
 127  
 128  
 129  
 130  
 131  
 132  
 133  
 134  
 135  
 136  
 137  
 138  
 139  
 140  
 141  
 142  
 143  
 144  
 145  
 146  
 147  
 148  
 149  
 150  
 151  
 152  
 153  
 154  
 155  
 156  
 157  
 158  
 159  
 160  
 161  
 162  
 163  
 164  
 165  
 166  
 167  
 168  
 169  
 170  
 171  
 172  
 173  
 174  
 175  
 176  
 177  
 178  
 179  
 180  
 181  
 182  
 183  
 184  
 185  
 186  
 187  
 188  
 189  
 190  
 191  
 192  
 193  
 194  
 195  
 196  
 197  
 198  
 199  
 200  
 201  
 202  
 203  
 204  
 205  
 206  
 207  
 208  
 209  
 210  
 211  
 212  
 213  
 214  
 215  
 216  
 217  
 218  
 219  
 220  
 221  
 222  
 223  
 224  
 225  
 226  
 227  
 228  
 229  
 230  
 231  
 232  
 233  
 234  
 235  
 236  
 237  
 238  
 239  
 240  
 241  
 242  
 243  
 244  
 245  
 246  
 247  
 248  
 249  
 250  
 251  
 252  
 253  
 254  
 255  
 256  
 257  
 258  
 259  
 260  
 261  
 262  
 263  
 264  
 265  
 266  
 267  
 268  
 269  
 270  
 271  
 272  
 273  
 274  
 275  
 276  
 277  
 278  
 279  
 280  
 281  
 282  
 283  
 284  
 285  
 286  
 287  
 288  
 289  
 290  
 291  
 292  
 293  
 294  
 295  
 296  
 297  
 298  
 299  
 300  
 301  
 302  
 303  
 304  
 305  
 306  
 307  
 308  
 309  
 310  
 311  
 312  
 313  
 314  
 315  
 316  
 317  
 318  
 319  
 320  
 321  
 322  
 323  
 324  
 325  
 326  
 327  
 328  
 329  
 330  
 331  
 332  
 333  
 334  
 335  
 336  
 337  
 338  
 339  
 340  
 341  
 342  
 343  
 344  
 345  
 346  
 347  
 348  
 349  
 350  
 351  
 352  
 353  
 354  
 355  
 356  
 357  
 358  
 359  
 360  
 361  
 362  
 363  
 364  
 365  
 366  
 367  
 368  
 369  
 370  
 371  
 372  
 373  
 374  
 375  
 376  
 377  
 378  
 379  
 380  
 381  
 382  
 383  
 384  
 385  
 386  
 387  
 388  
 389  
 390  
 391  
 392  
 393  
 394  
 395  
 396  
 397  
 398  
 399  
 400  
 401  
 402  
 403  
 404  
 405  
 406  
 407  
 408  
 409  
 410  
 411  
 412  
 413  
 414  
 415  
 416  
 417  
 418  
 419  
 420  
 421  
 422  
 423  
 424  
 425  
 426  
 427  
 428  
 429  
 430  
 431  
 432  
 433  
 434  
 435  
 436  
 437  
 438  
 439  
 440  
 441  
 442  
 443  
 444  
 445  
 446  
 447  
 448  
 449  
 450  
 451  
 452  
 453  
 454  
 455  
 456  
 457  
 458  
 459  
 460  
 461  
 462  
 463  
 464  
 465  
 466  
 467  
 468  
 469  
 470  
 471  
 472  
 473  
 474  
 475  
 476  
 477  
 478  
 479  
 480  
 481  
 482  
 483  
 484  
 485  
 486  
 487  
 488  
 489  
 490  
 491  
 492  
 493  
 494  
 495  
 496  
 497  
 498  
 499  
 500  
 501  
 502  
 503  
 504  
 505  
 506  
 507  
 508  
 509  
 510  
 511  
 512  
 513  
 514  
 515  
 516  
 517  
 518  
 519  
 520  
 521  
 522  
 523  
 524  
 525

At a San

1950

A great  
great plan  
**Savory**  
and fine

## ASIA/PACIFIC

## Cathay and Northwest Both Quit PAL Talks

Compiled by Our Staff From Dispatches

MANILA — Cathay Pacific Airways Ltd. and Northwest Airlines Inc. have broken off talks to buy a debt-strapped carrier said Wednesday, leaving it in search of another partner to save it from collapse.

Cathay, the Hong Kong-based carrier, said it had withdrawn from negotiations to buy a controlling stake because of fundamental disagreements over management control, job cuts and other issues.

The chief financial officer of the Philippine flag carrier, Jaime Bautista, also said talks with another potential investor, Northwest Airlines Inc., "fizzled out" after Cathay reached a preliminary agreement Nov. 10 to buy a 40 percent stake and take management control of the airline.

But Philippine Airlines said late Wednesday that it was resuming talks with an unidentified foreign investor. The airline also said that an unidentified local group was offer-

ing to infuse \$90 million of the \$150 million the airline says it needs to reorganize and make itself viable.

Some analysts said Northwest or Cathay might resume negotiations, seeking more favorable terms.

Still, an analyst said the carrier, which is the oldest in Asia and which stopped flying briefly in September, could well be forced to shut down for good.

"It doesn't surprise me at the end of the day," said Ian Wild of SG Securities in Hong Kong, "that people should look closely at Philippine Airlines and decide that the existing business is irretrievable."

"The inevitable may end up happening," he said. "The Philippine Airlines company may well disappear."

Analysts and officials said the

sticking point in the talks with Cathay was the Hong Kong airline's intention to dismiss a large number of PAL's 8,000 workers.

Cathay said that there were also differences over the valuation of the airline and over management control.

In September, during the brief shutdown of Philippine Airlines, the carrier's biggest labor union agreed to accept a management offer of 20 percent equity in exchange for a 10-year freeze on strikes and labor bargaining.

That agreement allowed the airline to resume flying. Cathay later provisionally agreed to invest up to \$100 million in the airline in return for management control and up to 40 percent of equity.

(Reuters, Bloomberg)

## Analysts Expect Samsung To Get Out of Automaking

Agence France-Press

SEOUL — Samsung Group is planning to shed its fledgling automaking unit in a business swap with the electronics unit of Daewoo Group, industry analysts said Wednesday.

Under the expected deal, reported in local news media but not confirmed by the companies, Daewoo would take over the unprofitable Samsung Motors Inc., while Samsung would swallow up debt-laden Daewoo Electronics Co.

Such a deal, after the purchase of Kia Motors Corp. by Hyundai Motor Co., would leave the country with only two major vehicle makers, Daewoo and Hyundai, and two top electronics makers, Samsung and LG Electronics.

If realized, it would be a key-stone of what is known as the "Big Deal," an economic restructuring aimed at reviving the economy, and would affect the global vehicle and electronics markets, analysts said.

A Samsung spokesman denied it was about to pull out of the auto industry, saying: "We will keep our automaking business."

But Kang Bong Kyn, a presidential economic adviser, said, "Discussions are under way to get Samsung Motors involved in the Big Deal, and there has been progress."

Yonhap news agency quoted aides saying Daewoo Electronics was the candidate for the swap.

Newspapers said President Kim Dae Jung was expected to discuss the reported Samsung-Daewoo swap with representatives of the country's largest conglomerates, or *chaebol*, when he met with them to discuss corporate restructuring.

Samsung Motors' debt is estimated to be between 3 trillion and 4 trillion won (\$2.4 billion to \$3.2 billion), officials said, adding that Daewoo Electronics' debt was estimated at 3.2 trillion won at the end of 1997.

## Australia Trims Main Rate

Compiled by Our Staff From Dispatches

SYDNEY — The Reserve Bank of Australia cut its official interest rate by a quarter-point Wednesday, to 4.75 percent, citing fears of declining economic growth.

However, recent economic indicators suggest growth may exceed earlier forecasts, Ian Macfarlane, governor of the central bank, said.

Slightly stronger than expected third-quarter figures released after the cut appeared to bear that out. In the third quarter, Australia's gross domestic product expanded by 1.0 percent compared with the second quarter and at an annual rate of 5.0 percent.

"With growth bouncing along at about 5 percent, it is clear that even if the economy does slow next year, we still have another quarter or two of solid growth," Grant Fitterer, a senior

economist at HSBC Markets, said.

"Some decline in growth is unavoidable, given the international circumstances," Mr. Macfarlane said, calling it "unrealistic" to expect monetary policy to fine-tune growth or inflation next year.

"The continuing good inflation performance, however, and the economy's capacity to grow without generating additional inflationary pressure mean that it is appropriate to offer some additional support to growth through the adoption of a more accommodative monetary policy stance," he said.

Inflation may rise slightly because of the Australian dollar's fall over the past 18 months, he said. But inflation is expected to stay within its target range of 2 percent to 3 percent a year in the medium term.

(Bridge News, AFP)

## WTO Says Trade in '98 Has Slowed Sharply

Bloomberg News

GENEVA — Growth in world trade probably fell by more than half this year, the World Trade Organization said Wednesday, as the recession in Japan and Southeast Asia has cut demand for imports.

The growth in the volume of goods has probably slowed to between 4 percent and 5 percent this year — the slowest rate since 1993 — from 10 percent in 1997, the Geneva-based trade organization said in its 1998 annual report. Trade growth should pick up again next year, it said, without making a precise forecast.

The slump in Japan and slowing emerging-market economies have held back world trade more than the WTO expected.

"It is already clear that 1998 will feature sharply lower trade and output growth rates than 1997, but it is more difficult to anticipate the depth or duration of the slowdown," the trade organization said.

Developed countries concerned that they face a flood of cheap imports from nations whose currencies have declined have so far not raised new trade barriers, the WTO said, though it warned that "pressures in this direction may increase."

## Investor's Asia

Exchange	Index	Wednesday Close	Previous Close	% Change
Hong Kong Hang Seng		10,955.78	9,675.85	+13.20
Singapore Straits Times		1,383.59	1,388.70	-0.36
Tokyo Nikkei 225		2,761.00	2,734.10	+0.96
Sydney All Ordinaries		14,386.82	14,635.21	-1.69
Kuala Lumpur Composite		526.75	518.75	+1.54
Bangkok SET		343.12	358.16	-4.20
Seoul Composite Index		446.35	445.86	+0.11
Taipei Stock Market Index		7,157.22	7,102.37	+0.77
Manila PSE		1,286.00	1,291.79	-0.45
Jakarta Composite Index		386.86	387.74	-0.23
Wellington NZSE-40		1,331.50	1,350.01	-1.35
Bombay Sensitive Index		2,816.59	2,804.03	+0.45

Source: Reuters

International Herald Tribune

## Very briefly:

• Tenaga Nasional Bhd., Malaysia's largest electricity company, will sell a power plant to Powertek Bhd. for 740 million ringgit (\$195.3 million) to cut costs after posting a record loss of 3.09 billion ringgit in the year that ended Aug. 31.

• Pakistan missed a \$13.6 million interest payment on a \$300 million three-year floating-rate note, adding to concern that it could default, bankers said. Pakistan, which has applied for aid from the International Monetary Fund, faces almost \$800 million in payments on government bonds due this month.

• South Korea's net foreign debt narrowed to \$21.1 billion at the end of October due to rising foreign currency reserves. Companies and the government are striving to cut the foreign debt load that pushed the country into recession and led to a \$60 billion IMF-led rescue package last year.

• Toyota Motor Corp. will set up a holding company by March 2001 and effectively absorb Daihatsu Motor Co. and Hino Motors Ltd., the Yomiuri Shimbun said. AFP, Bloomberg

## ANTITRUST: High Hurdles for Exxon Mobil

Continued from Page 13

companies have retained two of Washington's largest law firms to handle antitrust issues before the Federal Trade Commission. Exxon has hired Covington & Burling, and the team will be led by Charles Rule, a former head of the Justice Department's antitrust division. Mobil has retained Hogan & Hartson, and its team will be led by Janet McDavid, the incoming chairman of the American Bar Association's section on antitrust law.

At Georgetown University, Ms. McDavid was a law student of Robert Pitofsky, who is now the chairman of the trade commission; she also was a member of a Pentagon task force on antitrust issues that he headed. Both Ms. McDavid and Mr. Pitofsky served on President Bill Clinton's transition team in 1992.

Not surprisingly, Exxon and Mobil have been big players on the Washington political scene, although antitrust lawyers said that members of the trade agency's staff who review mergers have to be insulated from political pressure.

The most recent statistics for 1997 show that Mobil spent \$5.3 million on lobbying and Exxon spent \$5.2 million.

Even before the announcement Tuesday, some consumer and industry groups announced their intention to challenge the companies on antitrust grounds, and state officials announced their intention to begin a broad inquiry.

"We're beginning an investigation in coordination with other states," said Richard Blumenthal, the attorney general of Connecticut and head of the antitrust section of the National Association of Attorneys General.

"Our concern is, this combination of two giants, even if it is designed to increase their strength globally, could have an immense impact on consumers on Main Street," he said. "Exxon and Mobil were created as part of the breakup of the Standard Oil monopoly, the very reason we have today's antitrust laws."

Still, Mr. Kaplan and other antitrust experts predicted that the antitrust issues would not block the deal, a sign of the transformation of the oil industry since it was controlled by the innovative trusts devised by Mr. Rockefeller at the end of the last century.

Lawyers and analysts said significant divestitures might be required in the retailing and marketing ends of the business and in the production of petrochemicals and lubricants but that the deal could ultimately be approved by regulators.

The area of the business least vulnerable to antitrust action is in oil exploration, where competition is robust, and governments play a large role in setting prices and significant technological innovations in drilling have sharply lowered the capital costs that once posed a formidable barrier to newcomers.

U.S. antitrust law has been shaped by trends in the oil industry.

The Supreme Court's most notable ruling in the field came in 1911, when the court divided Mr. Rockefeller's Standard Oil into 34 companies by interpreting the Sherman Antitrust Act as prohibiting any business combination that unreasonably restrained trade and was not in the public interest.

The decision prompted the court's sole dissenter, Justice John Harlan, to complain that the court had put "words into the antitrust act which Congress did not put there."

Two of the biggest surviving pieces were Standard Oil of New Jersey — later renamed Exxon — and Standard Oil of New York — later Mobil.

They came under government scrutiny again after World War II, with the completion of a detailed analysis by the trade commission called "The International Petroleum Cartel."

In 1953, President Dwight Eisenhower's administration filed the Oil Cartel case, contending that the two Standard Oils and three other com-

panies were participating in an "unlawful combination and conspiracy to restrain interstate and foreign commerce of the United States in petroleum and products."

Seven years later, Standard Oil of New Jersey signed a consent decree as part of the oil cartel cases in which it agreed to not join forces with the leading competitors in the world oil market, including Standard Oil of New York.

That agreement also broke up the two companies' joint ownership of Standard Vacuum Oil Co., a leading producer and refiner of oil in Asia. The consent decree lasted 25 years, expiring in 1985.

"It was one of the largest divestitures of that time," said Robert Bicks, a lawyer who was an assistant attorney general in charge of the Justice Department's antitrust division in the Eisenhower and Kennedy administrations.

"It was the first of the foreign commerce cases that recognized the connection between what happens abroad in the oil business and prosperity and competition here."

## Are you a Saxon deep down?

Back in the Middle Ages, the Saxons went out into the world. Today, things have changed and entrepreneurs from all over the globe are settling in Saxony. In the first half of 1998 alone, some 4,000 companies were formed here in eastern Germany. You don't have to wait for the next mass migration, though, to take advantage of the greenhouse climate for new businesses and established companies currently prevailing in Saxony. The Saxony Economic Development Corporation will be happy to supply you with all the information you need — free of charge. Simply phone +49/351/3199-10 00, fax +49/351/3199-10 99, or visit the Web site at [www.saxony.com](http://www.saxony.com)

SAXONY!

A great business base, a great place to enjoy nature. Saxony's Switzerland and president's residence.



The best way to understand someone is to share the same view.



Telecommerce. No-one pays closer attention to their customers' needs than France Telecom. Take our new e-commerce service. Because we understand that online transaction security - confidentiality, authentication and authorization, from order to delivery - is your greatest concern, we developed Telecommerce. Find out more about Telecommerce from France Telecom: [www.francetelecom.fr](http://www.francetelecom.fr). You'll find that the outlook for your business has never looked better.

Let's build a smarter world France Telecom

[illegible]

## INTERNATIONAL INVESTING

## Clubs Try to Score With Stock

Spanish Soccer Teams Look to Markets for Financing

MADRID—Stock market flotation is seen as a golden opportunity by a clutch of Spanish soccer clubs, but the experience at British clubs suggests that success is harder to achieve on the market than on the pitch.

Despite the national team's ignominious first round exit from this year's World Cup, Spain's first division is rated among the top three or four leagues in the world, and some of its smaller members have big ideas.

Valladolid is one of several medium-sized clubs seeking to raise capital by a stock market flotation, inspired by Manchester United and some 20 other listed British clubs.

"Listing on the bourse is common in any other kind of business and for football clubs in other countries," said Valladolid's spokesman, Mariano Mancebo Rojo.

"We've taken all the necessary steps, and gone through all the audits that the stock market commission demands, and what we want is to list as soon as possible."

The problem for Valladolid and clubs like Atletico Madrid and Espanyol, which have said they are considering flotation, is a legal wrangle over whether they are allowed under current law to list on the market.

"Even under this law I think there are legal forms that could allow a football club to quote without breaking the law," Mancebo Rojo said. "We've presented our dossier to the commission, but for the moment they've not given us the green light."

The relevant authorities disagree with Valladolid.

Spain's sports council, the Consejo Superior de Deportes, is negotiating with the stock-market commission and the Economy Ministry over how to change the laws on limited sporting companies to make them like other limited companies.

"The necessary legal changes need the approval of the cabinet and Parliament," said Consejo spokesman Luis Lucio. "But I think by next year it should be possible for clubs to float."

But analysts question whether Spanish clubs are ready for flotation anyway, in terms

of business transparency. And unlike in Britain, it is not the top Spanish clubs that want to float. Real Madrid and Barcelona, the only two with the business clout to rival other European giants like Manchester United, Liverpool and AC Milan, have said they pursue no ambitions for the stock market.

And on the London market, only the biggest clubs have proved attractive to investors.

"What we've found in the U.K. and Italy, and I guess Spain, too, is initial enthusiasm, but I think ultimately it'll be followed very quickly by disillusionment," said Paul Wedge, soccer specialist at London stock-brokers Collins Stewart.

"If you're looking at conventional measures in terms of bottom-line profit, I can't think of any clubs at the moment which look to be profitable enough to justify the current market capitalization, other than Manchester United," he said.

Despite good revenue from television rights, ticket sales, merchandising and sponsorship, soccer clubs tend to make little profit because they face spiraling wage costs, he said.

"We've seen 20 percent compound wage inflation in the last three years," Mr. Wedge said. "It's very heavily loaded in favor of the player, and the player can be a complete dog. It's not a game for investors."

He said the average capital raised by club flotations in Britain had been \$6 million to \$10 million (\$9.92 million to \$16.53 million).

"If you raise \$5 million, you think that's a lot of money, but it's basically one player," he said.

The strategies of Spain's top two clubs could offer a better business model.

Barcelona, which is owned by its members rather than being a limited sports company like most smaller Spanish clubs, would never list on the bourse but has big plans to increase revenue.

It has created a separate company called Barca 2000, which could be floated on the stock exchange, to work on a project for a \$264 million leisure complex that would exist to provide money for soccer and other sports teams.

## Carefully, Walgreen Plots Its Way to Success

Bloomberg News

DEERFIELD, Illinois—In 1993, Walgreen Co. told Joe Resendez it was closing the Walgreen drug store he managed in a Pasadena, Texas, strip mall and opening a bigger one at a better spot across the street.

Three years later, Walgreen closed that store and opened another one. It was on another corner of the same street, a couple of blocks away. "Some of the customers thought we were going crazy," Mr. Resendez said.

However, with each move, his store's annual sales shot up more than 20 percent.

Such obsession with store location has served Walgreen well. While competitors have been gobbling up other companies to expand and big retailers such as J.C. Penney Co. are buying their way into the business, Walgreen continues to rack up the biggest profit and sales of any U.S. drugstore chain, one store at a time.

"They don't bite off more than they can chew, and everything they do is home-grown," said Martin Bukoll, an analyst for Northern Trust Co., which held 9.7 million Walgreen shares in June. He ranks Walgreen in retailing's top tier, along with Wal-Mart Stores Inc. and Home Depot Inc.

Without acquisitions, Walgreen in the last five years has raised its number of stores by 35 percent, to 2,550, funding them with internally generated cash. Its earnings have almost doubled in that period, to \$511 million in the year that ended Aug. 31 on sales of \$15.31 billion. That was its 24th consecutive year of record sales and earnings.

Walgreen's strategy has been a

hit with investors. Its shares have risen 73 percent this year, compared with a 23 percent rise in the Standard & Poor's 500 Index. Walgreen's performance ranks it 26th among the 500 stocks in the index and outshines the likes of Time Warner Inc. and International Business Machines Corp. Walgreen was down 25 cents at \$52.75 in early trading Wednesday.

The challenge for the company now is to continue its growth as it

will continue to go about its business as methodically as a pharmacist filling a prescription. It will put stores on the busiest intersections in town, with plenty of free parking, amenities such as drive-through prescription service and, increasingly, 24-hour operations.

And it will stay away from strip malls where a Wal-Mart or big supermarket may be lurking. About half of Walgreen's stores are "free standing," or physically isolated

improve many of the stores they have bought. CVS is converting 2,600 former Revco stores, while Rite Aid is revamping about 1,300 acquired outlets.

"They've grown very fast, but they've also had to pay for it," Mr. Leckow at Barrington said.

In Mr. Jordt's view, a lot of the stores his rivals are buying aren't worth sprucing up. "We don't think there's much future in strip centers," he said.

Walgreen hasn't made an acquisition since 1986—and it has entered 43 new markets since 1992. Many of those were in Southern and West Coast states that are havens for U.S. retirees.

"This graying of America fits right into Walgreen's hands," Mr. Bukoll of Northern Trust said.

Walgreen is also outdoing most of its competitors in adopting technology, analysts say. A computerized system allows its customers to fill prescriptions at any Walgreen store. Walgreen's prescription sales have grown to 50 percent of its total, from 41 percent five years ago.

In addition, cost cuts generated through technology and other means enable Walgreen to make a profit while meeting demands from health-maintenance organizations and other groups for cheaper prescriptions.

Such third-party payers accounted for about 80 percent of Walgreen's prescription sales last year, compared with 30 percent a decade ago.

All of this pays off, Mr. Bukoll of Society Asset Management said. "You have a bunch of pharmacists running this company," he said, "and they understand how this business is run."

Its strategy has been a hit with investors. Walgreen's stock price has risen 73 percent this year, while the Standard & Poor's 500-share index has gained 23 percent.

market sector consolidates into fewer and more powerful hands.

CVS Corp. has used acquisitions of Revco and other drugstore chains to become a close second to Walgreen in sales. Rite Aid Corp., the third-largest company in the business, has grown to \$11.4 billion in sales. J.C. Penney Co. bought the Eckerd drugstore chain, the fourth-largest, almost two years ago and last week agreed to acquire Genovese Drug Stores Inc.

Jeff Parker, an assistant portfolio manager with Eagle Asset Management, said he wondered whether the more concentrated competition would allow Walgreen to continue this rapid store expansion. Walgreen is one of Eagle's 10 largest holdings.

David Jordt, Walgreen's chief executive and president, said he saw no reason to doubt its strategy.

"We think being convenient is the best way," Mr. Jordt said.

What he means is that Walgreen

from other retailers, a concept invented by the company.

"They were laughed at initially," but rivals now are doing the same thing, said Thomas Buynak, an analyst at Society Asset Management.

CVS, Rite Aid and Walgreen. But Walgreen gets much more out of each store than its rivals. Last year its stores averaged \$6 million in sales, compared with \$3.3 million for CVS and \$2.9 million for Rite Aid.

"Walgreen has a tremendous amount of confidence in its ability to go into a market and find the right spot," said Derek Leckow, an analyst with Barrington Research in Chicago.

If the right spot isn't available, Walgreen will wait. Paducah, Kentucky, is a market it wants to enter, for example. It hasn't, though, because the busiest corner in town is taken—and that's the only site Walgreen will consider.

Walgreen's rivals are spending to

## Advertisement

For information please contact:  
Katy Hour: Fax (32-1) 41 43 92 12 or e-mail: funde@ht.com

## INTERNATIONAL FUNDS

Quotations supplied by fund groups to Standard & Poor's Microprint, L35-1 40 28 02. Print prices @ microprint

To receive free daily quotations for your funds subscribe at: e-funds@ht.com

December 2, 1998  
http://www.ihf.com/INTFUN/funds.html

<p>112 MERILL LYNCH BANCORP FUND</p> <p>113 MERILL LYNCH BANCORP FUND</p> <p>114 MERILL LYNCH BANCORP FUND</p> <p>115 MERILL LYNCH BANCORP FUND</p> <p>116 MERILL LYNCH BANCORP FUND</p> <p>117 MERILL LYNCH BANCORP FUND</p> <p>118 MERILL LYNCH BANCORP FUND</p> <p>119 MERILL LYNCH BANCORP FUND</p> <p>120 MERILL LYNCH BANCORP FUND</p> <p>121 MERILL LYNCH BANCORP FUND</p> <p>122 MERILL LYNCH BANCORP FUND</p> <p>123 MERILL LYNCH BANCORP FUND</p> <p>124 MERILL LYNCH BANCORP FUND</p> <p>125 MERILL LYNCH BANCORP FUND</p> <p>126 MERILL LYNCH BANCORP FUND</p> <p>127 MERILL LYNCH BANCORP FUND</p> <p>128 MERILL LYNCH BANCORP FUND</p> <p>129 MERILL LYNCH BANCORP FUND</p> <p>130 MERILL LYNCH BANCORP FUND</p> <p>131 MERILL LYNCH BANCORP FUND</p> <p>132 MERILL LYNCH BANCORP FUND</p> <p>133 MERILL LYNCH BANCORP FUND</p> <p>134 MERILL LYNCH BANCORP FUND</p> <p>135 MERILL LYNCH BANCORP FUND</p> <p>136 MERILL LYNCH BANCORP FUND</p> <p>137 MERILL LYNCH BANCORP FUND</p> <p>138 MERILL LYNCH BANCORP FUND</p> <p>139 MERILL LYNCH BANCORP FUND</p> <p>140 MERILL LYNCH BANCORP FUND</p> <p>141 MERILL LYNCH BANCORP FUND</p> <p>142 MERILL LYNCH BANCORP FUND</p> <p>143 MERILL LYNCH BANCORP FUND</p> <p>144 MERILL LYNCH BANCORP FUND</p> <p>145 MERILL LYNCH BANCORP FUND</p> <p>146 MERILL LYNCH BANCORP FUND</p> <p>147 MERILL LYNCH BANCORP FUND</p> <p>148 MERILL LYNCH BANCORP FUND</p> <p>149 MERILL LYNCH BANCORP FUND</p> <p>150 MERILL LYNCH BANCORP FUND</p> <p>151 MERILL LYNCH BANCORP FUND</p> <p>152 MERILL LYNCH BANCORP FUND</p> <p>153 MERILL LYNCH BANCORP FUND</p> <p>154 MERILL LYNCH BANCORP FUND</p> <p>155 MERILL LYNCH BANCORP FUND</p> <p>156 MERILL LYNCH BANCORP FUND</p> <p>157 MERILL LYNCH BANCORP FUND</p> <p>158 MERILL LYNCH BANCORP FUND</p> <p>159 MERILL LYNCH BANCORP FUND</p> <p>160 MERILL LYNCH BANCORP FUND</p> <p>161 MERILL LYNCH BANCORP FUND</p> <p>162 MERILL LYNCH BANCORP FUND</p> <p>163 MERILL LYNCH BANCORP FUND</p> <p>164 MERILL LYNCH BANCORP FUND</p> <p>165 MERILL LYNCH BANCORP FUND</p> <p>166 MERILL LYNCH BANCORP FUND</p> <p>167 MERILL LYNCH BANCORP FUND</p> <p>168 MERILL LYNCH BANCORP FUND</p> <p>169 MERILL LYNCH BANCORP FUND</p> <p>170 MERILL LYNCH BANCORP FUND</p> <p>171 MERILL LYNCH BANCORP FUND</p> <p>172 MERILL LYNCH BANCORP FUND</p> <p>173 MERILL LYNCH BANCORP FUND</p> <p>174 MERILL LYNCH BANCORP FUND</p> <p>175 MERILL LYNCH BANCORP FUND</p> <p>176 MERILL LYNCH BANCORP FUND</p> <p>177 MERILL LYNCH BANCORP FUND</p> <p>178 MERILL LYNCH BANCORP FUND</p> <p>179 MERILL LYNCH BANCORP FUND</p> <p>180 MERILL LYNCH BANCORP FUND</p> <p>181 MERILL LYNCH BANCORP FUND</p> <p>182 MERILL LYNCH BANCORP FUND</p> <p>183 MERILL LYNCH BANCORP FUND</p> <p>184 MERILL LYNCH BANCORP FUND</p> <p>185 MERILL LYNCH BANCORP FUND</p> <p>186 MERILL LYNCH BANCORP FUND</p> <p>187 MERILL LYNCH BANCORP FUND</p> <p>188 MERILL LYNCH BANCORP FUND</p> <p>189 MERILL LYNCH BANCORP FUND</p> <p>190 MERILL LYNCH BANCORP FUND</p> <p>191 MERILL LYNCH BANCORP FUND</p> <p>192 MERILL LYNCH BANCORP FUND</p> <p>193 MERILL LYNCH BANCORP FUND</p> <p>194 MERILL LYNCH BANCORP FUND</p> <p>195 MERILL LYNCH BANCORP FUND</p> <p>196 MERILL LYNCH BANCORP FUND</p> <p>197 MERILL LYNCH BANCORP FUND</p> <p>198 MERILL LYNCH BANCORP FUND</p> <p>199 MERILL LYNCH BANCORP FUND</p> <p>200 MERILL LYNCH BANCORP FUND</p>	<p>201 MERILL LYNCH BANCORP FUND</p> <p>202 MERILL LYNCH BANCORP FUND</p> <p>203 MERILL LYNCH BANCORP FUND</p> <p>204 MERILL LYNCH BANCORP FUND</p> <p>205 MERILL LYNCH BANCORP FUND</p> <p>206 MERILL LYNCH BANCORP FUND</p> <p>207 MERILL LYNCH BANCORP FUND</p> <p>208 MERILL LYNCH BANCORP FUND</p> <p>209 MERILL LYNCH BANCORP FUND</p> <p>210 MERILL LYNCH BANCORP FUND</p> <p>211 MERILL LYNCH BANCORP FUND</p> <p>212 MERILL LYNCH BANCORP FUND</p> <p>213 MERILL LYNCH BANCORP FUND</p> <p>214 MERILL LYNCH BANCORP FUND</p> <p>215 MERILL LYNCH BANCORP FUND</p> <p>216 MERILL LYNCH BANCORP FUND</p> <p>217 MERILL LYNCH BANCORP FUND</p> <p>218 MERILL LYNCH BANCORP FUND</p> <p>219 MERILL LYNCH BANCORP FUND</p> <p>220 MERILL LYNCH BANCORP FUND</p> <p>221 MERILL LYNCH BANCORP FUND</p> <p>222 MERILL LYNCH BANCORP FUND</p> <p>223 MERILL LYNCH BANCORP FUND</p> <p>224 MERILL LYNCH BANCORP FUND</p> <p>225 MERILL LYNCH BANCORP FUND</p> <p>226 MERILL LYNCH BANCORP FUND</p> <p>227 MERILL LYNCH BANCORP FUND</p> <p>228 MERILL LYNCH BANCORP FUND</p> <p>229 MERILL LYNCH BANCORP FUND</p> <p>230 MERILL LYNCH BANCORP FUND</p> <p>231 MERILL LYNCH BANCORP FUND</p> <p>232 MERILL LYNCH BANCORP FUND</p> <p>233 MERILL LYNCH BANCORP FUND</p> <p>234 MERILL LYNCH BANCORP FUND</p> <p>235 MERILL LYNCH BANCORP FUND</p> <p>236 MERILL LYNCH BANCORP FUND</p> <p>237 MERILL LYNCH BANCORP FUND</p> <p>238 MERILL LYNCH BANCORP FUND</p> <p>239 MERILL LYNCH BANCORP FUND</p> <p>240 MERILL LYNCH BANCORP FUND</p> <p>241 MERILL LYNCH BANCORP FUND</p> <p>242 MERILL LYNCH BANCORP FUND</p> <p>243 MERILL LYNCH BANCORP FUND</p> <p>244 MERILL LYNCH BANCORP FUND</p> <p>245 MERILL LYNCH BANCORP FUND</p> <p>246 MERILL LYNCH BANCORP FUND</p> <p>247 MERILL LYNCH BANCORP FUND</p> <p>248 MERILL LYNCH BANCORP FUND</p> <p>249 MERILL LYNCH BANCORP FUND</p> <p>250 MERILL LYNCH BANCORP FUND</p> <p>251 MERILL LYNCH BANCORP FUND</p> <p>252 MERILL LYNCH BANCORP FUND</p> <p>253 MERILL LYNCH BANCORP FUND</p> <p>254 MERILL LYNCH BANCORP FUND</p> <p>255 MERILL LYNCH BANCORP FUND</p> <p>256 MERILL LYNCH BANCORP FUND</p> <p>257 MERILL LYNCH BANCORP FUND</p> <p>258 MERILL LYNCH BANCORP FUND</p> <p>259 MERILL LYNCH BANCORP FUND</p> <p>260 MERILL LYNCH BANCORP FUND</p> <p>261 MERILL LYNCH BANCORP FUND</p> <p>262 MERILL LYNCH BANCORP FUND</p> <p>263 MERILL LYNCH BANCORP FUND</p> <p>264 MERILL LYNCH BANCORP FUND</p> <p>265 MERILL LYNCH BANCORP FUND</p> <p>266 MERILL LYNCH BANCORP FUND</p> <p>267 MERILL LYNCH BANCORP FUND</p> <p>268 MERILL LYNCH BANCORP FUND</p> <p>269 MERILL LYNCH BANCORP FUND</p> <p>270 MERILL LYNCH BANCORP FUND</p> <p>271 MERILL LYNCH BANCORP FUND</p> <p>272 MERILL LYNCH BANCORP FUND</p> <p>273 MERILL LYNCH BANCORP FUND</p> <p>274 MERILL LYNCH BANCORP FUND</p> <p>275 MERILL LYNCH BANCORP FUND</p> <p>276 MERILL LYNCH BANCORP FUND</p> <p>277 MERILL LYNCH BANCORP FUND</p> <p>278 MERILL LYNCH BANCORP FUND</p> <p>279 MERILL LYNCH BANCORP FUND</p> <p>280 MERILL LYNCH BANCORP FUND</p> <p>281 MERILL LYNCH BANCORP FUND</p> <p>282 MERILL LYNCH BANCORP FUND</p> <p>283 MERILL LYNCH BANCORP FUND</p> <p>284 MERILL LYNCH BANCORP FUND</p> <p>285 MERILL LYNCH BANCORP FUND</p> <p>286 MERILL LYNCH BANCORP FUND</p> <p>287 MERILL LYNCH BANCORP FUND</p> <p>288 MERILL LYNCH BANCORP FUND</p> <p>289 MERILL LYNCH BANCORP FUND</p> <p>290 MERILL LYNCH BANCORP FUND</p> <p>291 MERILL LYNCH BANCORP FUND</p> <p>292 MERILL LYNCH BANCORP FUND</p> <p>293 MERILL LYNCH BANCORP FUND</p> <p>294 MERILL LYNCH BANCORP FUND</p> <p>295 MERILL LYNCH BANCORP FUND</p> <p>296 MERILL LYNCH BANCORP FUND</p> <p>297 MERILL LYNCH BANCORP FUND</p> <p>298 MERILL LYNCH BANCORP FUND</p> <p>299 MERILL LYNCH BANCORP FUND</p> <p>300 MERILL LYNCH BANCORP FUND</p>	<p>301 MERILL LYNCH BANCORP FUND</p> <p>302 MERILL LYNCH BANCORP FUND</p> <p>303 MERILL LYNCH BANCORP FUND</p> <p>304 MERILL LYNCH BANCORP FUND</p> <p>305 MERILL LYNCH BANCORP FUND</p> <p>306 MERILL LYNCH BANCORP FUND</p> <p>307 MERILL LYNCH BANCORP FUND</p> <p>308 MERILL LYNCH BANCORP FUND</p> <p>309 MERILL LYNCH BANCORP FUND</p> <p>310 MERILL LYNCH BANCORP FUND</p> <p>311 MERILL LYNCH BANCORP FUND</p> <p>312 MERILL LYNCH BANCORP FUND</p> <p>313 MERILL LYNCH BANCORP FUND</p> <p>314 MERILL LYNCH BANCORP FUND</p> <p>315 MERILL LYNCH BANCORP FUND</p> <p>316 MERILL LYNCH BANCORP FUND</p> <p>317 MERILL LYNCH BANCORP FUND</p> <p>318 MERILL LYNCH BANCORP FUND</p> <p>319 MERILL LYNCH BANCORP FUND</p> <p>320 MERILL LYNCH BANCORP FUND</p> <p>321 MERILL LYNCH BANCORP FUND</p> <p>322 MERILL LYNCH BANCORP FUND</p> <p>323 MERILL LYNCH BANCORP FUND</p> <p>324 MERILL LYNCH BANCORP FUND</p> <p>325 MERILL LYNCH BANCORP FUND</p> <p>326 MERILL LYNCH BANCORP FUND</p> <p>327 MERILL LYNCH BANCORP FUND</p> <p>328 MERILL LYNCH BANCORP FUND</p> <p>329 MERILL LYNCH BANCORP FUND</p> <p>330 MERILL LYNCH BANCORP FUND</p> <p>331 MERILL LYNCH BANCORP FUND</p> <p>332 MERILL LYNCH BANCORP FUND</p> <p>333 MERILL LYNCH BANCORP FUND</p> <p>334 MERILL LYNCH BANCORP FUND</p> <p>335 MERILL LYNCH BANCORP FUND</p> <p>336 MERILL LYNCH BANCORP FUND</p> <p>337 MERILL LYNCH BANCORP FUND</p> <p>338 MERILL LYNCH BANCORP FUND</p> <p>339 MERILL LYNCH BANCORP FUND</p> <p>340 MERILL LYNCH BANCORP FUND</p> <p>341 MERILL LYNCH BANCORP FUND</p> <p>342 MERILL LYNCH BANCORP FUND</p> <p>343 MERILL LYNCH BANCORP FUND</p> <p>344 MERILL LYNCH BANCORP FUND</p> <p>345 MERILL LYNCH BANCORP FUND</p> <p>346 MERILL LYNCH BANCORP FUND</p> <p>347 MERILL LYNCH BANCORP FUND</p> <p>348 MERILL LYNCH BANCORP FUND</p> <p>349 MERILL LYNCH BANCORP FUND</p> <p>350 MERILL LYNCH BANCORP FUND</p> <p>351 MERILL LYNCH BANCORP FUND</p> <p>352 MERILL LYNCH BANCORP FUND</p> <p>353 MERILL LYNCH BANCORP FUND</p> <p>354 MERILL LYNCH BANCORP FUND</p> <p>355 MERILL LYNCH BANCORP FUND</p> <p>356 MERILL LYNCH BANCORP FUND</p> <p>357 MERILL LYNCH BANCORP FUND</p> <p>358 MERILL LYNCH BANCORP FUND</p> <p>359 MERILL LYNCH BANCORP FUND</p> <p>360 MERILL LYNCH BANCORP FUND</p> <p>361 MERILL LYNCH BANCORP FUND</p> <p>362 MERILL LYNCH BANCORP FUND</p> <p>363 MERILL LYNCH BANCORP FUND</p> <p>364 MERILL LYNCH BANCORP FUND</p> <p>365 MERILL LYNCH BANCORP FUND</p> <p>366 MERILL LYNCH BANCORP FUND</p> <p>367 MERILL LYNCH BANCORP FUND</p> <p>368 MERILL LYNCH BANCORP FUND</p> <p>369 MERILL LYNCH BANCORP FUND</p> <p>370 MERILL LYNCH BANCORP FUND</p> <p>371 MERILL LYNCH BANCORP FUND</p> <p>372 MERILL LYNCH BANCORP FUND</p> <p>373 MERILL LYNCH BANCORP FUND</p> <p>374 MERILL LYNCH BANCORP FUND</p> <p>375 MERILL LYNCH BANCORP FUND</p> <p>376 MERILL LYNCH BANCORP FUND</p> <p>377 MERILL LYNCH BANCORP FUND</p> <p>378 MERILL LYNCH BANCORP FUND</p> <p>379 MERILL LYNCH BANCORP FUND</p> <p>380 MERILL LYNCH BANCORP FUND</p> <p>381 MERILL LYNCH BANCORP FUND</p> <p>382 MERILL LYNCH BANCORP FUND</p> <p>383 MERILL LYNCH BANCORP FUND</p> <p>384 MERILL LYNCH BANCORP FUND</p> <p>385 MERILL LYNCH BANCORP FUND</p> <p>386 MERILL LYNCH BANCORP FUND</p> <p>387 MERILL LYNCH BANCORP FUND</p> <p>388 MERILL LYNCH BANCORP FUND</p> <p>389 MERILL LYNCH BANCORP FUND</p> <p>390 MERILL LYNCH BANCORP FUND</p> <p>391 MERILL LYNCH BANCORP FUND</p> <p>392 MERILL LYNCH BANCORP FUND</p> <p>393 MERILL LYNCH BANCORP FUND</p> <p>394 MERILL LYNCH BANCORP FUND</p> <p>395 MERILL LYNCH BANCORP FUND</p> <p>396 MERILL LYNCH BANCORP FUND</p> <p>397 MERILL LYNCH BANCORP FUND</p> <p>398 MERILL LYNCH BANCORP FUND</p> <p>399 MERILL LYNCH BANCORP FUND</p> <p>400 MERILL LYNCH BANCORP FUND</p>	<p>401 MERILL LYNCH BANCORP FUND</p> <p>402 MERILL LYNCH BANCORP FUND</p> <p>403 MERILL LYNCH BANCORP FUND</p> <p>404 MERILL LYNCH BANCORP FUND</p> <p>405 MERILL LYNCH BANCORP FUND</p> <p>406 MERILL LYNCH BANCORP FUND</p> <p>407 MERILL LYNCH BANCORP FUND</p> <p>408 MERILL LYNCH BANCORP FUND</p> <p>409 MERILL LYNCH BANCORP FUND</p> <p>410 MERILL LYNCH BANCORP FUND</p> <p>411 MERILL LYNCH BANCORP FUND</p> <p>412 MERILL LYNCH BANCORP FUND</p> <p>413 MERILL LYNCH BANCORP FUND</p> <p>414 MERILL LYNCH BANCORP FUND</p> <p>415 MERILL LYNCH BANCORP FUND</p> <p>416 MERILL LYNCH BANCORP FUND</p> <p>417 MERILL LYNCH BANCORP FUND</p> <p>418 MERILL LYNCH BANCORP FUND</p> <p>419 MERILL LYNCH BANCORP FUND</p> <p>420 MERILL LYNCH BANCORP FUND</p> <p>421 MERILL LYNCH BANCORP FUND</p> <p>422 MERILL LYNCH BANCORP FUND</p> <p>423 MERILL LYNCH BANCORP FUND</p> <p>424 MERILL LYNCH BANCORP FUND</p> <p>425 MERILL LYNCH BANCORP FUND</p> <p>426 MERILL LYNCH BANCORP FUND</p> <p>427 MERILL LYNCH BANCORP FUND</p> <p>428 MERILL LYNCH BANCORP FUND</p> <p>429 MERILL LYNCH BANCORP FUND</p> <p>430 MERILL LYNCH BANCORP FUND</p> <p>431 MERILL LYNCH BANCORP FUND</p> <p>432 MERILL LYNCH BANCORP FUND</p> <p>433 MERILL LYNCH BANCORP FUND</p> <p>434 MERILL LYNCH BANCORP FUND</p> <p>435 MERILL LYNCH BANCORP FUND</p> <p>436 MERILL LYNCH BANCORP FUND</p> <p>437 MERILL LYNCH BANCORP FUND</p> <p>438 MERILL LYNCH BANCORP FUND</p> <p>439 MERILL LYNCH BANCORP FUND</p> <p>440 MERILL LYNCH BANCORP FUND</p> <p>441 MERILL LYNCH BANCORP FUND</p> <p>442 MERILL LYNCH BANCORP FUND</p> <p>443 MERILL LYNCH BANCORP FUND</p> <p>444 MERILL LYNCH BANCORP FUND</p> <p>445 MERILL LYNCH BANCORP FUND</p> <p>446 MERILL LYNCH BANCORP FUND</p> <p>447 MERILL LYNCH BANCORP FUND</p> <p>448 MERILL LYNCH BANCORP FUND</p> <p>449 MERILL LYNCH BANCORP FUND</p> <p>450 MERILL LYNCH BANCORP FUND</p> <p>451 MERILL LYNCH BANCORP FUND</p> <p>452 MERILL LYNCH BANCORP FUND</p> <p>453 MERILL LYNCH BANCORP FUND</p> <p>454 MERILL LYNCH BANCORP FUND</p> <p>455 MERILL LYNCH BANCORP FUND</p> <p>456 MERILL LYNCH BANCORP FUND</p> <p>457 MERILL LYNCH BANCORP FUND</p> <p>458 MERILL LYNCH BANCORP FUND</p> <p>459 MERILL LYNCH BANCORP FUND</p> <p>460 MERILL LYNCH BANCORP FUND</p> <p>461 MERILL LYNCH BANCORP FUND</p> <p>462 MERILL LYNCH BANCORP FUND</p> <p>463 MERILL LYNCH BANCORP FUND</p> <p>464 MERILL LYNCH BANCORP FUND</p> <p>465 MERILL LYNCH BANCORP FUND</p> <p>466 MERILL LYNCH BANCORP FUND</p> <p>467 MERILL LYNCH BANCORP FUND</p> <p>468 MERILL LYNCH BANCORP FUND</p> <p>469 MERILL LYNCH BANCORP FUND</p> <p>470 MERILL LYNCH BANCORP FUND</p> <p>471 MERILL LYNCH BANCORP FUND</p> <p>472 MERILL LYNCH BANCORP FUND</p> <p>473 MERILL LYNCH BANCORP FUND</p> <p>474 MERILL LYNCH BANCORP FUND</p> <p>475 MERILL LYNCH BANCORP FUND</p> <p>476 MERILL LYNCH BANCORP FUND</p> <p>477 MERILL LYNCH BANCORP FUND</p> <p>478 MERILL LYNCH BANCORP FUND</p> <p>479 MERILL LYNCH BANCORP FUND</p> <p>480 MERILL LYNCH BANCORP FUND</p> <p>481 MERILL LYNCH BANCORP FUND</p> <p>482 MERILL LYNCH BANCORP FUND</p> <p>483 MERILL LYNCH BANCORP FUND</p> <p>484 MERILL LYNCH BANCORP FUND</p> <p>485 MERILL LYNCH BANCORP FUND</p> <p>486 MERILL LYNCH BANCORP FUND</p> <p>487 MERILL LYNCH BANCORP FUND</p> <p>488 MERILL LYNCH BANCORP FUND</p> <p>489 MERILL LYNCH BANCORP FUND</p> <p>490 MERILL LYNCH BANCORP FUND</p> <p>491 MERILL LYNCH BANCORP FUND</p> <p>492 MERILL LYNCH BANCORP FUND</p> <p>493 MERILL LYNCH BANCORP FUND</p> <p>494 MERILL LYNCH BANCORP F</p>
--	---	---	--



## SPORTS

# Rangers Win In Overtime After Goal at Last Second

**The Associated Press**  
NEW YORK — With less than two minutes left in the New York Rangers game with Florida, fans were leaving Madison Square Garden. Their team trailed by a goal and was playing short-handed.

But as the fans left, the Rangers started scoring. When it ended, New York had a 5-4 victory in overtime Tuesday night.

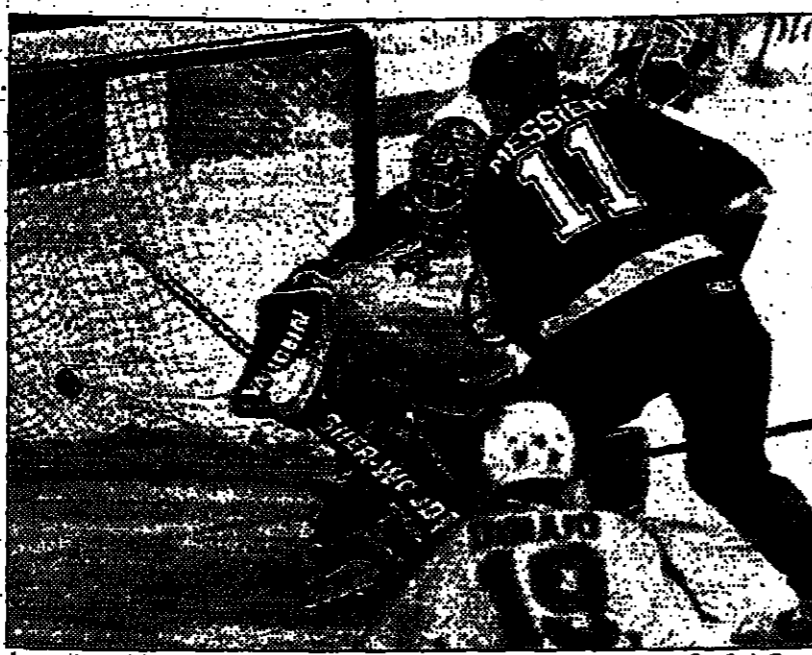
The Panthers were leading, 4-3, but lost their one-man advantage when Robert Svehla was called for hooking.

## NHL Roundup

with 39 seconds left. Then they lost the lead when Brian Leetch scored with one second left, after the Rangers pulled goalie Mike Richter to give them a 5-on-4 advantage on the open ice.

Adam Graves completed the Rangers' comeback by scoring his second goal of the night and 10th of the season on a deflection of a shot by Wayne Gretzky at 2:10 of overtime.

Dave Gagner and Radek Dvorak scored for the Panthers in the first period. Gretzky beat the Panthers' goalie, Sean Burke, on a slap shot in the second period, and John MacLean scored to tie



Mark Messier scoring for Vancouver against Boston goalie Byron Dabo.

the game, both on power plays. The Panthers regained the lead on a goal by rookie Mark Parrish.

In the third, Graves beat Burke with the Rangers on a power play, and rookie Oleg Kvasha scored on a one-timer in front to put the Panthers ahead 4-3.

**Brussels 1, Canada 1** In Boston, Sergei Samonov scored with 29 seconds remaining in the second period to give the Bruins a tie with Vancouver. The tie extended the Bruins' unbeaten streak to six games, while the Canucks broke a five-game losing streak.

**Devils 4, Capitals 0** Martin Brodeur stopped 22 shots for his second shutout of the season as the Devils won in Washington. Jason Arnott, Jay Pan-

dolfo, Denis Pederson and Bobby Holik each scored for the Devils. The victory moved New Jersey into first place in the Eastern Conference.

**Mighty Ducks 4, Penguins 4** In Pittsburgh, Martin Straka's 14th goal midway through the third period gave the Penguins a tie with Anaheim.

Pittsburgh's Jaromir Jagr scored twice to end a 10-game goal drought, the longest since his rookie season in 1990-91.

**Senators 3, Predators 1** Daniel Alfredsson had a goal and an assist to lead Ottawa to victory in Nashville.

He scored on a wrist shot from the slot at 4:53 of the second period and assisted on Radek Bonk's first-period goal.

# Palmeiro Deserts to the Rangers

## First Baseman Spurns Bigger Orioles' Offer; Ventura Leans to Mets

**The Associated Press**

On a busy day of high finance in baseball, Rafael Palmeiro spurned a better offer from Baltimore to return to the Texas Rangers, and Robin Ventura got ready to join the New York Mets.

Palmeiro signed a \$45 million, five-year contract with the Rangers on Tuesday even though the Orioles had offered \$50 million. Ventura worked out a \$32 million, four-year deal with the New York Mets.

In addition to the free-agent signings, there was also a three-way trade, the kind that is rarely seen in the free-agent era. The Mets sent a catcher, Todd Hundley, to the Los Angeles Dodgers for another catcher, Charles Johnson, and an outfielder, Roger Cedeno, and then traded Johnson to the Orioles for Armando Benitez, a relief pitcher.

"It's been a day of highs and lows, ups and downs," said Frank Wren, the Orioles' general manager. He began the day by signing Albert Belle to a \$65 million, five-year deal, then found out that Palmeiro had turned down the Orioles' offer to stay with the team.

Ventura, who ended negotiations Tuesday with the team he has been playing for, the Chicago White Sox, has not yet finalized his deal with the Mets.

A pair of sources familiar with the negotiations, speaking on the condition that they not be identified, confirmed that the third baseman had agreed to a contract with the Mets averaging \$8 million annually. Both sides still had to

agree on how to structure the contract and other details.

"We are hopeful we have made a significant enough offer that shows our interest," said Steve Phillips, the Mets' general manager. "We would like to have him in a Mets uniform. I'm hopeful."

New York cleared a logjam with the trade. Hundley, who is to be paid \$5.2 million next season and \$6 million in 2000, became expendable after New York kept Mike Piazza, its star catcher, with a \$91 million, seven-year deal in October.

Hundley struggled last season after returning from the disabled list in July following reconstructive surgery on his right elbow at the end of the 1997 season and playing mostly in the outfield.

He hit just .161 with 3 homers, 12 runs batted in and 55 strikeouts in 124 at-bats, limiting his trade value. Before the injury, Hundley hit a total of 71 homers in 1996 and 1997, with 198 RBIs.

Benitez, who gave up the homer to Tony Fernandez that lost the 1997 American League pennant to Cleveland, went 5-6 with a 3.82 earned run average and 22 saves last season for Baltimore. He will be the right-handed setup man for the Mets' closer, John Franco.

Johnson, 27, came to the Dodgers on May 15 from the Florida Marlins along with Gary Sheffield, Bobby Bonilla, Jim Eisenreich and a minor league pitcher for Piazza and third baseman Todd Zeile. Piazza was traded to the Mets a week later and Zeile wound up

with the Rangers. The four-time Gold Glove catcher played in 133 games with the Marlins and Dodgers this year and hit just .218 with 19 homers and 58 RBIs.

Cedeno, a 24-year-old switch hitter long considered a top prospect, hit .242 this year with two homers and 17 RBIs.

Palmeiro, a first baseman who left Texas after the 1993 season to sign a \$30.35 million, five-year contract with Baltimore, went to The Ballpark in Arlington on Tuesday — without his agent — and accepted a deal that includes yearly salaries of \$9 million, of which \$1 million a season will be deferred.

"It's good to be home," Palmeiro said. "This is where I want to be. This is where I want to finish my career. And this is where I want to win."

His decision ends the Texas career of Will Clark, the first baseman who replaced him five years ago and now could be headed to Boston.

"We had initial interest from a number of teams, but we had focused our attention on Texas, which was Will's first choice," said Clark's agent, Jeff Moorad. "At this point, we'll go back to the other teams that have expressed interest and continue this game of musical chairs."

In other deals, Otis Nixon, an outfielder and leadoff hitter, returned to Atlanta, which also re-signed infielder Ozzie Guillen. Catcher Carlos Hernandez and the San Diego Padres neared agreement on a two-year contract worth about \$10 million.

# NBA Owners and Players Set To Return to Negotiating Table

**The Associated Press**

NEW YORK — The National Basketball Association and its players have agreed to resume talks on the lockout that has prevented the start of the season.

"Somebody had to call eventually, because we eventually had to get back to the bargaining table," Russ Granik, the NBA deputy commissioner, said Tuesday after the sides announced that talks would resume Thursday morning.

It will be the first session involving the full bargaining committees since Nov. 20, when the sides met for nine and a half hours and called it their most productive meeting to date.

But to help set up this new session, the sides agreed to toss out any agreements made Nov. 20.

That means the owners will return to their original position calling for a 50-50 split of revenue, while the players want a 60-40 split.

"Everything is negotiable and there's always flexibility," Granik said, "but we need to bring the percentage down and they don't really want to. And that's the problem."

Billy Hunter, the players' union director whose telephone call to the NBA commissioner, David Stern, resulted in the resumption, did not make any public comments.

# SCOREBOARD

## ICE HOCKEY

### NHL Standings

#### ATLANTIC DIVISION

Team	W	L	T	Pts	GF	GA
New Jersey	14	7	7	35	58	49
Philadelphia	11	7	4	26	62	48
Pittsburgh	10	6	6	26	57	39
N.Y. Rangers	7	9	7	21	61	63
N.Y. Islanders	10	13	8	20	49	64

#### NORTHEAST DIVISION

Team	W	L	T	Pts	GF	GA
Toronto	11	10	3	25	62	68
Boston	10	7	6	26	61	44
Ottawa	11	7	3	25	64	51
Buffalo	10	5	4	24	57	40
Montreal	8	12	2	18	52	65

#### SOUTHEAST DIVISION

Team	W	L	T	Pts	GF	GA
Carolina	11	10	3	25	62	57
Florida	8	9	5	21	54	60
Washington	7	12	3	17	49	64
Tampa Bay	4	14	2	10	48	81

#### WESTERN DIVISION

Team	W	L	T	Pts	GF	GA
Calgary	13	8	0	26	73	64
Edmonton	9	12	2	20	67	72
Vancouver	8	11	2	18	53	62
Colorado	8	13	2	18	63	70
Chicago	6	14	3	15	48	62

## BASEBALL

### U.S. COLLEGE SCORES

#### BASEBALL

Team	W	L	T	Pts	GF	GA
Stanford	8	10	5	21	54	57
Los Angeles	8	14	3	15	55	66
San Jose	5	11	5	15	49	54

#### BASEBALL

Team	W	L	T	Pts	GF	GA
San Diego	8	10	5	21	54	57
Los Angeles	8	14	3	15	55	66
San Jose	5	11	5	15	49	54

#### BASEBALL

Team	W	L	T	Pts	GF	GA
San Diego	8	10	5	21	54	57
Los Angeles	8	14	3	15	55	66
San Jose	5	11	5	15	49	54

#### BASEBALL

Team	W	L	T	Pts	GF	GA
San Diego	8	10	5	21	54	57
Los Angeles	8	14	3	15	55	66
San Jose	5	11	5	15	49	54

## BASEBALL

### U.S. COLLEGE SCORES

#### BASEBALL

Team	W	L	T	Pts	GF	GA
Stanford	8	10	5	21	54	57
Los Angeles	8	14	3	15	55	66
San Jose	5	11	5	15	49	54

#### BASEBALL

Team	W	L	T	Pts	GF	GA
Stanford	8	10	5	21	54	57
Los Angeles	8	14	3	15	55	66
San Jose	5	11	5	15	49	54

#### BASEBALL

Team	W	L	T	Pts	GF	GA
Stanford	8	10	5	21	54	57
Los Angeles	8	14	3	15	55	66
San Jose	5	11	5	15	49	54

#### BASEBALL

Team	W	L	T	Pts	GF	GA
Stanford	8	10	5	21	54	57
Los Angeles	8	14	3	15	55	66
San Jose	5	11	5	15	49	54

## BASEBALL

### U.S. COLLEGE SCORES

#### BASEBALL

Team	W	L	T	Pts	GF	GA
Stanford	8	10	5	21	54	57
Los Angeles	8	14	3	15	55	66
San Jose	5	11	5	15	49	54

#### BASEBALL

Team	W	L	T	Pts	GF	GA
Stanford	8	10	5	21	54	57
Los Angeles	8	14	3	15	55	66
San Jose	5	11	5	15	49	54

#### BASEBALL

Team	W	L	T	Pts	GF	GA
Stanford	8	10	5	21	54	57
Los Angeles	8	14	3	15	55	66
San Jose	5	11	5	15	49	54

#### BASEBALL

Team	W	L	T	Pts	GF	GA
Stanford	8	10	5	21	54	57
Los Angeles	8	14	3	15	55	66
San Jose	5	11	5	15	49	54

## BASEBALL

### U.S. COLLEGE SCORES

#### BASEBALL

Team	W	L	T	Pts	GF	GA
Stanford	8	10	5	21	54	57
Los Angeles	8	14	3	15	55	66
San Jose	5	11	5	15	49	54

#### BASEBALL

Team	W	L	T	Pts	GF	GA
Stanford	8	10	5	21	54	57
Los Angeles	8	14	3	15	55	66
San Jose	5	11	5	15	49	54

#### BASEBALL

Team	W	L	T	Pts	GF	GA
Stanford	8	10	5	21	54	57
Los Angeles	8	14	3	15	55	66
San Jose	5	11	5	15	49	54

#### BASEBALL

Team	W	L	T	Pts	GF	GA
Stanford	8	10	5	21	54	57
Los Angeles	8	14	3	15	55	66
San Jose	5	11	5	15	49	54

## BASEBALL

### U.S. COLLEGE SCORES

#### BASEBALL

Team	W	L	T	Pts	GF	GA
Stanford	8	10	5	21	54	57
Los Angeles	8	14	3	15	55	66
San Jose	5	11	5	15	49	54

#### BASEBALL

Team	W	L	T	Pts	GF	GA
Stanford	8	10	5	21	54	57
Los Angeles	8	14	3	15	55	66
San Jose	5	11	5	15	49	54

#### BASEBALL

Team	W	L	T	Pts	GF	GA
Stanford	8	10	5	21	54	57
Los Angeles	8	14	3	15	55	66
San Jose	5	11	5	15	49	54

#### BASEBALL

Team	W	L	T	Pts	GF	GA
Stanford	8	10	5	21	54	57
Los Angeles	8	14	3	15	55	66
San Jose	5	11	5	15	49	54

## BASEBALL

### U.S. COLLEGE SCORES

#### BASEBALL

Team	W	L	T	Pts	GF	GA
Stanford	8	10	5	21	54	57
Los Angeles	8	14	3	15	55	66
San Jose	5	11	5	15	49	54

#### BASEBALL

Team	W	L	T	Pts	GF	GA
Stanford	8	10	5	21	54	57
Los Angeles	8	14	3	15	55	66
San Jose	5	11	5	15	49	54

